



Councils' role in tackling unemployment

Stories from around England

Why the work programme needs local government

This document sets out just how much valuable work is being done to help people off benefits and back to work, commissioned and delivered locally.

Successfully helping people back to work from long-term unemployment has three foundations:

- a focus on results that ensures people really get sustained jobs;
- reform of the benefits system to ensure it creates a real financial incentive to work for everyone;
- the flexibility to work with individuals according to their needs and circumstances, addressing the many other reasons, above and beyond financial incentives, why people may not be willing or able to work.

The government's Work Programme represents a real step forward on the first of these points. It introduces the principle of paying providers by results, defined as real sustained employment. This is a welcome development. For the time being, though, it leaves open the question of how much providers will be paid for delivering the results, and what sort of payment would represent good value for money for the taxpayer.

The government has also opened a wider debate about welfare reform which aims to simplify benefits and make the financial incentive to work clearer.

This is the right debate to be having and has the potential to powerfully reinforce the second pillar of a back-to-work policy.

The government's approach to the third pillar is less clear. Within the Work Programme, the government is determined to allow full flexibility to providers to help people in the way they feel is necessary. But the government's approach to the Work Programme puts up a barrier between those providers and other agencies which experience shows have a valuable contribution to make to helping people back to work. These include housing providers, health professionals, colleges and other skills providers, and drug and alcohol treatment providers.

The LGA's latest research on local action to tackle long-term unemployment makes it clear that the most successful existing initiatives are based on joint working between a range of agencies, convened and commissioned by councils on behalf of local communities. This research in particular shows the unique added-value councils provide by bringing different agencies together around shared local priorities, offering democratically-mandated leadership, and shifting funding flexibly to meet changing needs. This is what we mean by strategic commissioning. The emerging shape of the Work Programme threatens to dismantle these arrangements where they exist.

This means that while the overall shape of the government's policy is sound, the shift to the Work Programme creates three significant risks:

- first, that much of the most effective existing working will be lost, or will have to be laboriously reinvented within the Work Programme's contracting structures; there is a particular threat to joint working with housing providers, health organisations, and learning providers mainly funded through DfE and BIS programmes
- secondly, that councils will find themselves playing a new and unfunded role identifying provision of last resort to the people the Work Programme is unable help
- finally, that the government will end up overpaying for the Work Programme: this risk works in two ways: first, by distancing the Work Programme from the best existing local work on tackling long-term unemployment, and by contracting for the new programme on a national basis, both the government and would-be providers and their financial backers will be contracting in a wholly new environment and will not know what the right price is; the taxpayer usually gets the wrong end of the deal under those circumstances; while secondly, national contracting will struggle to reflect the wide variations in local labour market conditions, tending to push prices up to a national average and offering providers low-hanging fruit in areas with tighter labour markets.

Local government wants to help the government mitigate these risks in the way the Work Programme is being designed. The key changes to make are

- to retain in the Work Programme the scope for flexible joint working with other agencies such as health, housing and skills providers locally

- to allow pricing to reflect the wide variations in local labour market conditions.

The LGA proposes that a simple way to build these changes into the government's plans, which is would be feasible without disrupting the planned roll-out of the Work programme, would be to let contracts on an area basis, picking a contract geography that fits with the emerging geography of Local Enterprise Partnerships. LEPs could then both provide input to letting the contract based on their understanding of local labour markets, and provide a mechanism for linking the Work Programme providers with the approach being taken in the LEP area to skills, investment, and other actions with an impact on the availability of jobs and the ability of local people to access them.

The LGA's new research in this document demonstrates how much successful back-to-work activity is going on, commissioned by democratic local government and provided by a diverse and rich base of local voluntary organisations alongside private and statutory bodies.

There is a real risk that the introduction of the Work Programme will sweep away much of this excellent existing activity that is helping people off benefits and into work; will waste time and effort reinventing it, but will struggle to do so in the absence of real leverage over many of the key organisations providers need to work with; and will cost taxpayers more than it should.

Councils want the Work programme to be a success because they want their local residents to have the chance to work and earn. The offer of support we are making is one we hope the government will not reject.

Introduction

During May 2010, the Local Government Association interviewed a number of councils in England with particularly high levels of deprivation and long-term unemployment, and higher than average levels of Incapacity Benefit claimants.

This was done with a view to understanding more about the particular issues facing each council and how they were addressing those issues.

There were common threads. There were also issues entirely unique to the area which were no less important and which emerge clearly in the individual stories.

Councils' achievements

A huge amount of work is being done by councils around England to tackle unemployment and this covers a wide range of activities. The councils we interviewed told us about their considerable achievements. But the full story reveals much more in terms of the extent and breadth of work being done to tackle the complex issues facing the high numbers of Incapacity Benefit, and other, claimants in these areas.

Thanks

Many thanks to colleagues in councils in England who were interviewed as part of the writing of this report and whose input has been invaluable.

Approximate claimant numbers for councils interviewed

	Job Seekers Allowance	Lone Parent Benefit	Incapacity Benefit / Employment Support Allowance
Barking & Dagenham	6,238	5,220	8,420
Stoke-on-Trent	8,370	3,780	17,920
Leicester	13,105	3,780	16,330
Gateshead	6,136	2,620	11,790
Halton	4,398	2,200	8,420
North East Lincolnshire	6,387	2,700	7,260
Hastings	3,220	1,530	5,680
St Helens	5,413	2,630	11,880
Sheffield	16,000	6,400	27,000
Nottingham	12,320	6,030	17,400

Hastings

“In a place like Hastings you need a comprehensive approach because one thing won’t work on its own.”

What’s creating unemployment in your area and how is it changing?

- With the decline in seaside towns, we have high levels of unemployment through generations and pockets of severe deprivation, with young people who don’t know anybody in work and high levels of incapacity benefit claimants with poor mental and physical health.
- Our transport links are very poor and we have a major problem with people not being able to travel out of the area to work.
- We have a low level of skills in the potential workforce: half the working age population have no or minimal qualifications.
- Forty per cent of jobs are in the public sector and we have no major employers in the area.
- Our jobs density rate is low and we have a high applicant-vacancy ratio with 12 people chasing each elementary job.

“Our teams work in the areas where people are most excluded in the sense that they would not think to get involved in work or the community or to access the help that’s available – so they simply don’t understand the opportunities.”

What are you doing to tackle unemployment?

Creating jobs

- We’re working to encourage the growth of local businesses and attract new employers, with public sector investment in industrial and office space – we now have some state of the art new accommodation particularly for high tech and environmental businesses.
- We are supporting sectors with high employment growth potential, bearing in mind transport issues. And we are looking at the retail, tourism and creative sectors and improving their prospects – where there is also lots of potential.
- We’ve also invested in better broadband and IT links although there is still more that needs to be done and we are making a case for improvements in transport and improved high-speed broadband – very important for future growth.

Working with unemployed people

- We have developed a good range of higher education. One of the larger investments the Learning and Skills Council made in new college buildings took place in Hastings, with a new campus in the town centre and one outside, and the expanding University Centre Hastings is attracting further and higher education students to the town.
- We're working at a neighbourhood level, which is a vital first step in helping people into economic activity. Our teams work in the areas where people are not involved in paid work or community work and don't know how to access the help that's available – so they simply don't understand the opportunities.

“We have focused on local issues where the greatest need is – using detailed local knowledge.”

Headline achievements

- Between 2008 and Feb 2010, 480 new jobs or at risk jobs were created or safeguarded, and 221 business start-ups supported as a result of the Council's unemployment initiatives.
- The percentage of businesses showing employment growth in Hastings was the highest in East Sussex and higher than both the South-East and Great Britain average in 2006/07 and 2007/08.

What's the local council's unique contribution?

The Council has brought key players together, like Jobcentre Plus and the local college, and created a unified approach to tackling unemployment using our local Economic Alliance partnership and Area Based Grant funds as catalysts.

This will be a key role for the council in the future as we have the expertise and understanding of the local economy, the local people and their problems, and we understand how best to reach them through a joined-up and very localised approach. Having funding which we can use flexibly has allowed us to focus on local issues where the need is greatest – using detailed local knowledge.

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Leicester

“We have concentrations of worklessness in the white working class peripheral estates. In New Parks – a big social housing estate – one in three people are on benefits with high rates of Incapacity Benefit and Lone Parent Benefit and some households where no-one is working across several generations. Any work has tended to be sporadic, insecure and low-paid.”

What’s creating unemployment in your area and how is it changing?

- Nearly half of our neighbourhoods fall into the most deprived nationally. We have nearly 13,000 Job Seeker Allowance claimants in March 2010 (up from 11,000 in March 2009).
- We are ethnically very diverse, with established and new populations from Asia, Europe and Africa. This can contribute to unemployment because of low skills levels and poor English.
- We have relatively low educational achievement, though performance has wide variations, with very low achievement amongst white working class boys – and

to some extent African-Caribbean boys – but high achievement among the Hindu population.

“We have established a network of eight Multi Access Centres (MACs) in the most deprived communities... The small teams in each centre are close to our clients, encourage them to come forward, organise training, support people into work and offer post-employment support as well.”

What are you doing to tackle unemployment?

- We coordinate action so the total support offering adds up to more than the sum of the parts. For instance, people from disadvantaged communities joined our MAC programme voluntarily. We established what their issues were, designed bespoke support programmes then matched people to employers. We agreed an interview guarantee with the employer – if the interviewee met a minimum standard.
- We’re working with teenagers not in education employment or training (‘NEET’) including working within schools to avoid the risk of kids becoming disengaged in the first place and we work with kids who are not in school as well. This has been

very successful and we have significantly reduced the number of disengaged kids.

“We have identified priority sectors including the construction, retail, hospitality and public sectors to ensure we’re creating the right skills and supporting the key sectors for future jobs...”

“We did a deal with some big employers in our new retail centre: we agreed an interview guarantee with the employer – if the interviewee met a minimum standard eg John Lewis, who were very active. People from disadvantaged communities joined our programme voluntarily. We established what their issues were, designed bespoke support programmes then matched people to employers.”

Headline achievements

- Since February 2010, the local partnership has filled 430 jobs with more than 200 other vacancies closed by Jobcentre Plus as sufficient candidates have been referred for interviews.
- Over the last year the council has established eight community based access centres in the most disadvantaged communities – a central platform to assist people getting back to work.

What is the local council’s unique contribution?

We understand the communities – we understand the issues – and our capacity to join up the support offer is quite unique. As a council we have mainstream resources so we can, and have, used our Area Based Grant to pump prime our Multi Access Centre service which will eventually become part of the council’s day-to-day Adult Skills and Learning work.

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“The Halton Employment Partnership was established to develop a ‘complete employment offer’ for businesses investing locally, including Tesco, who were set to create 700-plus jobs as part of the new Mersey Multimodal Gateway development. We said ‘we guarantee that we can supply you with a readily available workforce. We’ll work with you on pre-employment programmes to make sure people have the skills you need, we will support you with recruitment, help you source apprenticeships and help you with ongoing workforce development’. Through effective working between the Halton Employment Partnership and the employer, the first 50 people started work last week at Tesco’s new chilled distribution centre – all from Halton, 31 previously not in employment, with another 50 starting each week over the next few weeks.” 14 May 2010

What’s creating unemployment in your area and how is it changing?

Worklessness in Halton is changing for the better, but there is still a way to go.

- Given the area’s dependence on the manufacturing sector and its subsequent decline over the years, the impact on Halton’s employment figures have been felt. We have generational unemployment, large numbers of people on Incapacity Benefit/ESA, high rates of teenage pregnancy and issues with young people not in employment, education or training (‘NEET’).
- We also have very particular pockets of deprivation, often resulting in one side of a street displaying greater deprivation problems compared to the other.

“Our ‘Complete Employment Offer’ to businesses investing in Halton has recently reaped some great results in terms of getting our local unemployed people into jobs... Tesco made the decision to locate its new chilled distribution centre in Halton on the newly created 3MG Logistics Park. We made the promise to Tesco that we would supply them with the skilled people they

needed for the 700-plus new jobs being created. We worked closely with them to design training programmes to make sure local people were trained with the skills Tesco wanted. We did a lot of work on pre-employment training, to get our core client group – long-term unemployed people (six months or more unemployed) – ready for interview. But we’ve been working with shorter term unemployed people as well to respond to increases resulting from the recession. To date (May 2010), 965 interviews have been scheduled by Tesco and 668 Halton unemployed people have been selected for interview. We worked effectively with the employer and our client groups to ensure we had a readily available workforce for them once the jobs came on-stream. The first 50 jobs have all been awarded to Halton residents, all of which were Halton Employment Partnership learners.”

What are you doing to tackle unemployment?

- The development over the last couple of years of the new Mersey Multimodal Gateway (3MG) freight distribution park has transformed a local industrial site and created a unique piece of logistics infrastructure with unrivalled features.
- Heavily involved in the 3MG development was Halton Borough Council’s Major Projects team and the Halton Employment

Partnership. Working alongside 3MG partners, we developed our ‘complete employment offer’, for potential investors, with full support and commitment from the council’s chief executive and senior management team.

- We produced a 3MG ‘Investors’ Handbook’ to promote Halton’s central location in the UK and the Partnership’s ‘complete employment offer’. It gave prospective investors the message that “we can guarantee to supply you with a readily available workforce!” Tesco were the first customer on 3MG with a brand new chilled distribution centre offering in excess of 700 jobs.
- Over a number of months, we worked closely with Tesco to determine their skills and recruitment needs for 3MG. We developed the Halton Employment Partnership Award in Logistics, which incorporated employability as well as sector specific training, helping equip local unemployed people with the skills needed to work in a logistics/distribution environment. In addition, learners were also able to gain Fork Lift Truck Licences. The Award in Logistics covered key employability areas such as filling out application forms, interview techniques, presentation and communications skills and job search.
- The Halton Employment Partnership assisted Tesco with their recruitment, creating a 3MG Jobs website, hotline, email account and recruitment base.
- The first cohort of staff have started their jobs at Tesco and the Partnership is also offering some in-work support to try to ensure people stay in employment and are supported in making the transition off benefits into work, for example assistance with travel costs.

- The second tenant on the 3MG site is also working with the Halton Employment Partnership in recruiting to newly created jobs.
- Tesco in particular have been delighted with the calibre of applicants coming forward and particularly noted how the Halton interviewees have presented themselves at interview.
- We know that the work of the Halton Employment Partnership has meant that Halton's unemployed people have been able to gain the essential skills needed to compete for new jobs created in the borough by undertaking the Halton Employment Partnership Award, and that a hugely effective partnership arrangement has been developed for the good of the community.

“Businesses were saying they wanted one point of contact so we established the Halton Employment Partnership, whereby a range of partners have agreed to work together on supporting businesses – Jobcentre Plus, the council, Further Education Colleges, the Sector Skills Councils and the LSC (Skills Funding Agency now).”

Headline achievements

Major new business has been attracted to the area: Tesco's new Chilled Distribution Centre is one of the first. It will offer 700 new jobs. 155 people have been offered jobs so far and 129 of these have been offered to Halton residents. Of the 965 interviews scheduled, 668 were offered to Halton residents, so this figure is expected to rise.

What is the local council's unique contribution?

None of this would have happened without the council and the partnership. The whole project was made possible because of the council's drive, ambition and leadership from the top – with the leader of the council fully supporting this work. Added to this, was the influence that this support was able to make in gaining buy-in from partners. There were a few setbacks, but we've persevered and the results are just starting to happen! It's all happening in Halton!

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“People think there’s no work for them – that’s the message they get from people around them. We run jobs fairs on estates to change that message and show them the wide range of help available...”

What’s creating unemployment in your area and how is it changing?

- We have a history of closure of major industry – coal mining, textiles and light manufacturing.
- New businesses have invested in Nottingham which require generally higher skill levels and skills for a service sector economy for which many citizens living in our most disadvantaged communities are not well equipped.
- Most people commute into the city for jobs but there is disadvantage within the city itself and there is still a need to create employment in the area.
- We have low skills levels, but also some low aspiration levels and generational unemployment. People feel there’s no work available for them.

“We do a lot of work advising and hand holding people through the process of moving off benefits and into work...”

What are you doing to tackle unemployment?

- We have outreach sessions on estates marketed through Trent FM radio. These are successful because they have a range of support available. We do a lot of work advising and hand holding people through the process of moving off benefits and into work.
- We went out to seek businesses and community organisations to get employers involved. We have an apprenticeship scheme. We work with Nottingham City Homes to create jobs in construction – as well as training and employment opportunities while also delivering our decent homes programme. We’re also working with two social enterprises to work through an accredited qualification in the construction sector.
- We have an Early Intervention Project for families, with a whole range of support – picking up families at an early stage, making the experience of parenting more positive, freeing up parents to better manage and take up opportunities. We recognise this is much easier if we help early on.

- We've already positioned the city as an entertainment centre, and we want to build on the service industries and the retail offer.

“We work with Nottingham City Homes to create jobs in construction – as well as training and employment opportunities while also delivering our decent homes programme.”

Headline achievements

- Unemployment for under-24s has fallen every month since October 2009, a total decrease of 11.4 per cent compared to a national one of 8.5 per cent.
- As a result of targeting support for under-24s claiming for six to twelve months, this group has decreased by 6.3 per cent in the city compared to a 7.1 per cent increase nationally.

What is the local council's unique contribution?

We're able to use our own resources in other parts of the council – support on anything from health or housing which might be stopping people from getting back into work. That means we can widen the opportunities available to support people off benefits and tackle an individual's issues in a meaningful way. We play a crucial role in coordinating lots of the work. We're also best placed to understand local conditions, for instance last year we did some work on economic resilience to ensure we are prepared for the future.

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Stoke on Trent

“Incapacity Benefit claimants are not required to search for work and so there is also a tendency for a ‘no-work’ culture to develop – and this is probably contributing to generational unemployment – sometimes with three generations in the same home not working.”

What’s creating unemployment in your area and how is it changing?

- Economic issues – including decline in coal, steel and, more recently, the ceramics industries and we have found it difficult to attract sufficient volumes of replacement jobs because of poor infrastructure. We also contend with a low Business Start-up rate.
- Social issues – we have a great deal of poor health and a lot of people with stress and depression, with the second highest Incapacity Benefit rate in England. We have an issue with low aspirations, a high proportion of 16 to 18 years olds not in employment education or training (‘NEET’) and a high teenage pregnancy rate.

What are you doing to tackle unemployment?

We see six main reasons for our success.

- 1 We have a very strong sub-regional partnership. This has resulted in joint action planning, with specific actions taken forward by local authorities, Jobcentre Plus, the Skills Funding Agency and other partners, steered by an inclusive Employment and Skills Group. Joint action planning has informed the way in which resources are allocated, so we do not duplicate mainstream Jobcentre Plus or Skills Funding Agency activity.

“We’ve developed a city wide jobs brokerage programme called the JET (Jobs, Enterprise, Training) for those who are not obliged to sign on, so geared at people on Incapacity and Lone Parent Benefits. Our ‘trump card’ is that we are voluntary so our clients engage positively, and employers are reassured that the people we send them are ready, willing and able. We work with local employers in everything from engineering to care to offer apprenticeships and subsidised jobs. We ask them to give our customers a

guaranteed interview, and if they employ them, to train them. We give them a wage subsidy and help broker the training. We've mapped out an entire journey from engaging our clients through to assessment, pre-employment support and support on housing, debt, childcare and transportation. The JET Service has engaged with over 1,500 customers, provided support and training for 750, and supported 250 into sustainable employment.”

2 When the scale of the recession became known, partners swiftly moved resources to address job creation and enterprise. Individual initiatives included – Build Up (a programme to link construction opportunities with local SME supply chains and local unemployed customers), the Training and Work Guarantee Programme (which encourages local companies to recruit unemployed people and provide training), a range of self-employment programmes, and the development of certain Social Enterprises which have the social goal of recruiting local unemployed people.

3 We put in place an effective and substantial Future Jobs Fund programme, comprising 30 delivery partners, driven by a Steering Group comprising Jobcentre Plus, the JET Service and the county council among others.

4 We have delivered real work experience for those furthest from work, to allow them to compete in the labour market: the Working Age Volunteering and Transitional Employment Programme are two key components of this. The latter has been a

real success: people do 16 hours a week to break into work but that can develop into a paid work option.

“We run a big sports apprenticeships programme – we take young people from disadvantaged backgrounds, put them through full NVQ and try to find them a job in sports and leisure – a sector that has been identified as growth and appeals to young people.”

5 We have developed effective intelligence on what is happening in the labour market through the North Staffordshire Employer Board for Skills.

6 Finally, there is the role of the city council itself: as sub-regional leader; its role as an employer itself eg expanding the council's apprenticeship programme, despite it being a time of public sector cuts; its role as a buyer; and as a service provider eg using planning powers to secure job interview guarantees.

“The contractors we're using to help create a better environment (to help attract business to the area) are also guaranteeing interviews for the people we are helping to get off benefits. We're linking environmental improvements to reducing worklessness, reclaiming derelict former industrial land, and developing a city centre and green space. We're using local suppliers and our construction contractors are required to employ a number of people

from the JET service. We're getting people trained and ready according to employer demand and the contractors are guaranteeing interviews."

"We offer a wide range of other services, not directly related to employment and skills – debt management, housing, social care, substance misuse support, adult education, childcare, transportation etc."

Headline achievements

- Even during the recession, the number of Incapacity Benefit claimants in Stoke (the target audience of our JET Service) continued to fall – by over 300 in the past 12 months (in contrast to national rates, which have actually climbed slightly).
- Since the height of the recession in April 2009, Job Seeker Allowance rates have fallen from 6.3 per cent to 5.6 per cent in contrast to national rates which did not significantly change.
- We have engaged with and supported over 2,000 customers.
- Over the past 12 months, the number of benefit claimants in the city has reduced by over 1,000 (in contrast with the national and regional totals, which have stayed still or even increased). We are therefore closing the gap.

What is the local council's unique contribution?

- We are close to our customer base.
- We act as the strategic lead. As the council we can do much more than employment – we can link our unemployment efforts to skills and training and economic development, making sure the three are linked coherently.
- Through the Local Strategic Partnership, we have access to large networks of voluntary, public and private sector partners; we use our planning powers, we're linked into social services, we're linked to the housing department – and so on.
- We have links to demand-side issues through our Economic Development and Inward Investment roles.

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Gateshead

“We add value because we ensure practical joining up of interventions.”

What’s creating unemployment in your area and how is it changing?

- Gateshead currently has 21,580 residents or 21.3 per cent of the working population in receipt of key benefits – far higher than the national average of 15.9 per cent
- Health is an issue with 12,000 people on Incapacity Benefit.
- We still have entrenched pockets of multigenerational unemployment across the borough.
- We have a real skills mismatch with people not having the right skills for the jobs available.
- There has been a shift in the labour market recently towards a service sector dominated market which is traditionally low paid.
- We also have a low rate of self-employment and start-up.

“Because the causes and impacts of unemployment are so varied, we work with a wide range of partners to make sure we can tackle complex individual issues. We work with Jobcentre Plus, social housing partners, the Primary Care Trust, Citizens Advice Bureau, Adult Learning, NHS, Neighbourhood Management, Connexions, Children and Young People’s services, Northumbria Probation Service, Business Link, local colleges including the Construction and Automotive Academies, and with planners, procurement officers and developers. The list is not exhaustive. The appropriate partners will be brought together to tailor interventions, working on the premise that one size does not fit all.”

What are your objectives?

Our overall objective is stated in our Local Area Agreement, prioritising reducing the number of people on key benefits: 1,200 people by March 2011.

What are you doing to tackle unemployment?

- We've worked to match skills in the local community to the jobs available. For example, we have developed a range of routeways for unemployed people into growth sectors such as retail, call centre, public sector and construction.
- We're providing intensive support for individuals via a job-linkage service, giving them quality information, advice and guidance, supporting them on their journey into employment right from engaging them in the community to mentoring them once employed, to make sure they stay in work. We complement Jobcentre Plus and other provision – our service is constantly evolving to avoid duplication and we have the ability to 'flex' our offer to fill gaps and maximise resources.
- We are working with employers to get them people with the right skills. In return we ask employers to guarantee interviews for residents who might not get past their normal selection processes. Our demand led approach has been recognised as best practice regionally, nationally and internationally.

“The North East Apprenticeship Company (NEAC) was established in February 2010 to generate 1,360 new apprenticeship positions for 16 – 18 year olds in the North East by March 2013. NEAC will recruit, employ and arrange training for apprentices who are hired out to employers. To achieve this, NEAC will work through employer networks, brokers and other

agencies to promote the services of NEAC; work with training providers to promote the services of NEAC and avoid displacement; and work in synergy with other relevant initiatives in the North East.”

- We also support job creation locally – we're working out in the community, stimulating enterprise and developing and growing social enterprise which has a wider positive impact in our deprived communities – with around 80 social enterprises employing over 300 local people providing essential services to over 14,000 people across Gateshead, enhancing the well-being of local people.

Headline achievements

- Since 1997, Gateshead Economic Development Service has helped over 10,000 residents into employment and saved the government an estimated £81 million in benefit payments.
- Gateshead has seen a large reduction in disengaged young people – there are now 250 to 300 fewer young people NEET in Gateshead than five years ago.

We've achieved :

- 100 employers a year supported with recruitment
- 800 people per year accessing support to move them closer to the labour market or into jobs
- 700 disadvantaged people per year moved into jobs, with over 1,000 last year in the recession
- an average saving to the Exchequer of £5,670,000 per year in benefits.

“We have developed a seamless, bespoke recruitment offer for employers providing pre-employment training and guaranteed interviews for unemployed people through working in partnership with any partner organisation who can add value.”

What is the local council's unique contribution?

- We understand our communities and their make-up, and our people are well trusted. Our strength is our community approach, working as we do in our five neighbourhoods, offering tailored local services to meet local needs.
- It's not just the amount of area based grant that we receive that is important, it's how we have used it to attract additional monies to maximise opportunities for local people. We join up pots of money and align funding in a way which provides a wide range of comprehensive interventions.
- We add value because we ensure practical joining up of interventions and fill gaps in mainstream provision through close partnership working.

“We've used a local 'Dragon's Den' style project using business people and local entrepreneurs who were keen to be dragons and mentors. It's been a huge success. An innovative intervention, initially set up to target disadvantaged areas with traditionally low business start up rates, the 'Not All Dragons

Bite' project has led to 27 start ups to date with a wide range of business ideas such as canine hydrotherapy and music management! Businesses are still going strong and receiving support.”

- It would be very difficult for any organisation other than a local authority to deliver these outcomes in such a comprehensive and co-ordinated way by joining up a wide range of varied and complex agendas to maximise impact. We are the “glue” which joins everything together. We have over 13 years of successful delivery of a wrap-around service, achieving real outcomes in the most deprived areas of Gateshead.

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“We have a mismatch between jobs available and skills. Raising skills and aspirations are fundamental to the issue in the area. We also need to create local jobs – but also to have an eye on future growth in the economy and match related skills needs. Our programme needs to focus on long-term unemployed, preventing the cycle of decline, tackling some highly individual barriers to work, and instilling positive attitudes towards work.”

What are your local issues?

- Jobs – we’re just opposite the mouth of the Humber, transport links could be better and travelling to work is an issue for people locally. So it’s not a simple case of accessing jobs out of the area. There are jobs on the ports – but they’re highly skilled, and it’s a small work force with their head offices outside of area.
- People – we have a mismatch between jobs available and skills. We have a high take up of adult education, but people are not then moving into work. And we have a cycle related to long term unemployment, with people experiencing health and motivation issues.

- The claimant rate has increased to 7 per cent of the working age population, up 22.6 per cent since February 2009. We have more unemployed than vacancies going into the recession.

What needs to be done?

Raising skills and aspirations are fundamental to the issue in the area. We also need to create local jobs – but also to have an eye on future growth in the economy and match related skills needs. Our programme needs to focus on the long-term unemployed and preventing the cycle of decline, and tackling some highly individual barriers to work, as well as a prevailing negative attitude towards work. Our challenging target is to support 2,000 people off benefits into employment over the life of the programme.

“The Change Programme is a new and innovative approach to addressing unemployment in North East Lincolnshire. Built on an evidence base of need, gained from consultation and factual analysis, a board of partners from organisations who address the causes and symptoms of worklessness has identified services it wishes to buy which add value to what is already available and targets the specific needs of our long term unemployed.”

What are your objectives?

The overall goal is set in terms of numbers of people off benefits, but we are using 'social return on investment' indicators to measure what we're doing, for instance, we know how much it costs for someone to be on incapacity benefit, we know how much it costs to help them off, so we can account the Return on Investment to the taxpayer.

Our challenging targets are to help 2,000 long term unemployed people find work over three years.

What are you doing to tackle unemployment in the area?

We are focusing investment on services which add value to existing provision, supporting those who are disadvantaged in the market place:

- unemployed individuals who are in receipt of an 'out-of-work' benefit or a partner of a benefit recipient
- individuals classified as a 'NEET'
- people who declare they are 'economically active', so they are seeking work even though they may not be in receipt of a benefit because they are excluded on means testing grounds.

Understanding local issues

- We have worked hard to develop a detailed understanding of causation underlying unemployment locally to ensure we are focussing on the right things.

"We're also taking a 'campaign style' approach, using social marketing, to tackle attitudes to work and we're working with the PCT and housing associations, as unemployment is one of the major causes of poor health and, of course, receipt of housing benefit."

Jobs

- We are growing the local economy by linking to the broader regeneration strategy and the sub-regional economic strategy. We are also working with local employers to create opportunities.

People

- We are creating intermediate labour opportunities – where people have a menu of options to try, for example construction skills, or working in an office (people go in and work with a salary for a short period). Their employer is the public sector but this will then help them to move onto other work.
- We have looked closely at our local 'client journey' and have commissioned services at the points of intervention where more support is needed or wanted – which may mean tackling low confidence, managing money, dealing with health problems, access to reliable transport and living in good quality accommodation.
- We have a Key Worker team with six employment support key workers providing tailored, personal support to those disadvantaged in the labour market.

Other issues

- We've also created a reserve to tackle problems associated with short-term funding, which means we can create longer term investment so we can plan properly over a relevant period.

- We are commissioning services to add value to existing provision in the area. Commissioning commenced December 2009 – we helped 58 people find employment in the months between January and March 2010.

“We have created two Intermediate Labour Markets which will create 800 work opportunities in the next three years – one with our Social Landlord and one with our voluntary sector and town centre retailers.”

Headline achievements

- Fifty-eight long term unemployed individuals were helped off benefits and into work as an outcome of Community Investment activity in the first three months of this calendar year and further investment in job creation resulted in 25 long term unemployed people finding jobs in the borough.
- Targeted support for under-25 year olds in the Humber Sub-Region is creating 145 jobs.
- Our approach will ensure a greater impact because we are investing for the long term, setting up a programme for the next five years.

What’s the local council’s unique contribution?

Without us, there would be no-one making sure we were actually addressing the causation factors which are unique to North East Lincolnshire. There would be no long-term close relationship with the people we are trying to work with, and – most importantly – these people would not be getting the intensive and flexible support which other agencies like Jobcentre Plus are simply not set up to offer. We work with people over the long-term, tackling their individual issues. Also, we can make the links across to our partners in economic development and make sure we’re creating the right kind of jobs and matching skills to new jobs.

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“An individual may need a number of different interventions eg support with mental health issues, debt advice – so we link to other services to tap into and deal with a range of different barriers.”

What’s creating unemployment in your area and how is it changing?

- We don’t have enough jobs in the area so many people go out of the borough for work: we are a ‘net exporter’ of labour. We’re on rail and major road links to Liverpool and Manchester, Wigan and Warrington however some of the most deprived areas are not able to easily access these key transport routes.
- We have an issue with people on Incapacity Benefit, long-term unemployed, related to decline in the coal industry.
- We found that, when we got people into work, they were dropping back out again: we found that people were coming off benefits for six weeks then back on, mainly due to only being able to obtain short term agency jobs.
- We have targets for getting people off benefits – 1,000 over three years, or minimum 200 per year.

“We don’t have jobs in the area, people go out of the borough for work – we are a ‘net exporter of labour’ – and we’re on rail and major road links to Liverpool and Manchester, Wigan and Warrington. But some of the most deprived areas are not able to easily access these key transport routes...”

What are you doing to tackle unemployment?

- We are working with long-term unemployed claimants – ie the people who are less likely to be helped through Jobcentre Plus who are mainly working with ‘Day 1’ job seekers. We provide information, guidance and advice – to develop an action plan around particular needs eg writing a CV, interview techniques, or addressing other issues relating to health or housing – identifying where their individual needs are with the end goal of being in employment. An individual may need a number of different interventions eg mental health, debt advice – so we link to other services to tap into and deal with a range of different barriers.
- We work in a similar way with people who have gained employment, by providing a range of support including financial

assistance for example when waiting for their first pay cheque, help with managing money and paying rent and sometimes it is also about helping them manage health conditions in a work environment. If these issues are not resolved, being on benefits looks easier. A key emphasis is to enable residents to remain in work.

“We have been able to join up and make existing provision more effective, by looking at where the gaps are and filling them: the lack of transport from deprived areas is a classic example.”

- We also support employed people on very low income; this work relates to child poverty. One young lady wanted to do a college course in hairdressing – which she could do more flexibly around home life and earn more money. Supporting achieving aspirations in this way has a positive impact on the children – who will hopefully also have an aspiration to go into work.

“Bus services in particularly deprived areas are one thing we’ve tried to support – to ensure people are able to travel to work. We’ve worked closely with businesses to identify where people were travelling from and subsidised a new bus route with plans for it eventually to run commercially...”

Headline achievements

- Targeted work in priority deprived neighbourhoods has enabled 474 unemployed residents to enter employment during the period November 2007 to March 2010.

- Borough Employment Initiatives have supported over 50 graduates and 80 school leaver apprentices into six to twelve month work-based training within the council and local businesses. Further local funding will allow more in 2010.

What’s the local council’s unique contribution?

We have been able to join up and make existing provision more effective by looking at where the gaps are and filling them: the lack of transport from deprived areas is a classic example. We’ve built up expertise – local area knowledge of what the real problems are and built trust with the local community by engaging them in helping determine some of the delivery in their areas.

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Barking & Dagenham

“The council is assisting thousands of local residents to improve their skills, build confidence and effectively search for employment. It is increasingly being targeted at wards and super-output areas in highest need.”

What’s creating unemployment in your area and how is it changing?

- We have a very low adult skills base, nearly a quarter with no qualifications, less than half at Level 2.
- A large proportion of our working age residents are on Incapacity and Lone Parent benefits (around 14,000).
- We have an increasing need for pre-entry ESOL (English for Speakers of Other Languages) as population changes.

What are your objectives?

Our Local Area Agreement prioritises employment, skills and business activities. Our indicators include – NI117 NEETs aged 16-18, NI151 Employment Rate, NI152 Benefit Claimants, NI153 Benefit claimants in most disadvantaged areas, NI171 New business registration rate and NI172 Small businesses in the area showing growth.

What are you doing to tackle unemployment?

- We provide a job brokerage service and an apprenticeship development unit (230 apprentices employed in the last couple of years).
- We match fund three European Social Fund projects targeting parents and carers through provision in children’s centres, and social housing tenants and Incapacity Benefit claimants.
- We build partnerships with mainstream provision (Jobcentre Plus, New deal, Pathways to Work) and other local employment and skills provision.
- We are continuing to fund successful elements of the LEGI programme, in particular we have expanded the level of business start up support.

- We are increasing the use of planning powers and contract terms and conditions to support employment and skills outcomes.
- We have successfully secured Olympic 'host borough' status.
- We are establishing a single economic development programme/Board covering 14-19s, employment, skills, business support and physical regeneration.
- We are piloting outreach approaches with Jobcentre Plus.

Headline achievements

- Employment and skills support is now being provided to thousands of Barking and Dagenham residents, and we are increasingly targeting disadvantaged groups through outreach.
- 1,200 residents have been supported into work through the job brokerage service.
- Excellent partnerships have been established with Jobcentre Plus and others.
- 250 apprenticeships and 488 business start ups through LEGI over the life of the programme.

What is the local council's unique contribution?

The council has coordinated and added value to mainstream provision working with key partners. We have been able to pilot a 'flexible fund' to overcome barriers to employment. We have been able to help thousands of local residents to improve their skills, build confidence and effectively search for employment. We are increasingly working with the very deprived areas in highest need.

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