

LGA INITIAL DRAFT – PLEASE DO NOT SHARE

ANNEX A – Statement of Intent: DWP and the Local Government Association

Over the course of this Parliament, the Government has committed to achieve full employment, together with a set of challenging employment and welfare manifesto commitments. This will require careful and planned use of available resources.

Supporting those furthest from the labour market into work requires new approaches to integrate local services, health, skills and employment support with requisite funding. Further, early implementation of Universal Credit (UC) shows that sustained job outcomes are best achieved by integrated and tailored support. Much of this can only be effective if planned and delivered locally, alongside other services people rely on, and which are planned with an understanding of differing local labour market strengths and weaknesses.

DWP and the LGA recognise that stronger, more effective collaboration between central government and councils is vital. This means ensuring all relevant resources are used to best effect, avoiding duplication of services and initiatives, and ensuring capabilities and capacity at all levels work together to maximise opportunities to help all jobseekers upskill, build confidence, gain, sustain and progress in work.

To achieve this, we believe a **national accord** can help foster the dialogue needed at both national and local levels. The suite of these actions will help the Government achieve its manifesto commitments, support jobseekers into more sustained job outcomes, reduce public spending and boost productivity.

Given the chance, councils will play a critical role. They want to stimulate thriving local economies, so all residents contribute and benefit from local growth. Working across functional economic areas with businesses and local partners, they are building on their unique and proven capacity to integrate services around the vulnerable and anticipate and respond to local employer needs.

Para on DWP and cross Whitehall work xxx ... Other Whitehall departments managing policy and funding for skills, health, and local services must also be involved in discussions.

Employers and voluntary and community sector organisations are also important partners in this dialogue, ensuring that claimants have a stable foundation and the skills and confidence that employers need, both today and in future years.

DWP and the LGA agree to take the following practical steps:

1. Understanding the claimant

Broadly there are four categories of people out of work: 1) the short term unemployed who need little or no help; 2) long term JSA who cycle in and out of work; 3) those with a health condition or disability; and 4) those with multiple barriers requiring significant support.

We will work together to identify those who most need support to find a job, progress in employment or take steps on their journey back to work, ensuring effective support is available to them. This will be based on the needs of claimants, and not solely on the benefit they claim, anticipating full introduction of Universal Credit.

This will involve the following:

- designing support consistent with people's needs, rather than purely on the benefit they claim;
- understanding how best to support UC claimants through Universal Support delivered locally (USdl);
- exploring the best gateways to local support through early assessment, referrals, joint assessment and triage; and
- further improving data exchange including all local performance data from nationally commissioned programmes.

2. Sharing resources

Staff and physical resources will need to be used more effectively – delivering more with less resource. At the same time we want to simplify the claimant journey so that it is easier for claimants and there is less bureaucracy for all delivery agencies.

This will involve the following:

- promote One Public Estate programme to identify offices and estate which can be shared;
- continue and improve co-location of relevant local government and DWP staff, and in some cases widen to other partners to add value – aiding dialogue and reforming services; and
- national ambition to ensure that the sharing of staff and physical and financial resource leads to true integration of services beyond front office co-location.

3. Youth Obligation

The change to 18 to 21 year olds benefit entitlements and requirements is a major national reform. Local government has statutory duties to Raise the Participation Age and ensure every 16 and 17 year old not in employment or training makes a successful transition into work. DWP will be responsible for every 18 to 21 year old claiming an out of work benefit, and require them to 'earn and learn'. Working together, local government and DWP can provide a single journey for disadvantaged young people in their transition to employment.

This will involve the following:

- Explore how the Youth Obligation can be delivered via an LGA Youth Offer¹ planned and delivered by councils and Jobcentre Plus, bringing together all careers advice and re-engagement support into single pots;
- DWP, BIS, DfE, its agencies and local government coordinating activity to guarantee sufficient provision for all 16 to 21 year olds that have no work experience or are

¹ Realising Talent: a new framework for devolved employment and skills, March 2015

unemployed (including Apprenticeships, work experience, skills training);

- Councils identifying those 17 year olds at risk of claiming benefits; and
- DWP (with other government departments) and local government agreeing on the responsibility and provision for vulnerable 18-21 year olds (care leavers, teenage parents, homeless and those with SEND statements).
- Embed local labour market intelligence by consolidating all careers and employment advice through local commissioning, so young people are aware of all opportunities - apprenticeships, full time learning, current and future jobs in the pipeline.
- Establish local apprenticeship hubs bringing together all apprenticeship funding into one pot, providing one service accessible to all young residents and employers;

4. Short term unemployed

DWP and local government recognise Jobcentre Plus (JCP) can be better aligned to the needs of the local economy and employers. For those unemployed for short periods of time, more can be done to provide a modern, well-informed, job brokerage offer, with access to a wider pool of jobs available in the local economy.

This will involve the following:

- Agree protocols for the accountability of local DWP performance to LEPs and Combined Authorities
- Make use of Support Contracts and the Flexible Support Fund (or any successor arrangements) to facilitate local partnerships working in line with local economic priorities; and
- Explore new local job brokerage models combining local labour market information from local partners, and JCP and National Careers Service (NCS) resource to provide access to a broader range of vacancies and careers, and referrals to skills.

5. Mainstream JSA claimants

DWP and local government recognise the importance of reducing the number of long-term workless adults. With reductions in budgets across Government, the focus on sustained job outcomes for all long term jobseekers is all the more critical for the jobseeker, and the local and national economy. Skills development is an important factor in someone's ability to enter, retain, and progress in work. Interventions must as a minimum integrate skills and employment support, and be grounded in job opportunities available locally.

This will involve the following:

- DWP and BIS exploring with local government ways to integrate employment support and the skills system (including adult skills and community learning);
- Local government and DWP establishing criteria for what is the most effective commissioning model relevant for a local area (from full devolution to local government commissioning support with DWP); and

- Commitment for DWP, local government and providers to establish ways to maximise providers' impact on local labour market conditions.

6. Adults with multiple disadvantage and health conditions

DWP and local government recognise that understanding the personal challenges troubled families and adults with multiple disadvantages face is key to unlocking their ability to playing an active role socially and economically. As jobseekers with multiple disadvantages access a greater number of services commissioned or delivered locally, local government is committed to providing pathways to sustained employment and recognise that this will involve improved integration of local services, and a provider market geared to deliver this.

Helping more ESA claimants move into employment is critical to achieving the Government's aim of halving the disability employment rate, and supporting more people with mental health and long term 'treatable' conditions into work. Working with local employers will be critical to keep people in work and encourage the recruitment of people with disabilities. Together, we should work with the Department of Health to encourage the integration of employment support with health provision.

This will involve the following:

- Commit to replace Work Programme / Work Choice with a fully devolved programme for disadvantaged adults integrating employment, skills and health interventions, geared foremost for JSA claimants with complex needs and ESA WRAG claimants;
- Basing new support on local government expertise in delivering the Troubled Families programme and its planned expansion by DCLG, bringing together health, welfare, housing, employment, skills and other specialist support;
- Explore how new forms of finance, such as Social Impact Bonds, and other Whitehall budgets can add to mainstream DWP funded provision; and
- Exploring innovative ways to engage those currently on the ESA Support Group – either through the devolved programme (above) or through co-designed pilots.

7. Boosting local growth and productivity

All local authorities work across travel to work and learn patterns (group of councils, combined authorities or LEPs) to integrate services around the vulnerable and anticipate and respond to local employer needs. They recognise the importance of raising the employability of the local workforce to meet the needs of employers, and want to do more to plan skills, employment support and health in line with local economic objectives to boost growth and productivity. DWP and local government recognise that this can mean significant public sector reform in how supply-side services are designed, managed and commissioned.

This will involve the following:

- DWP and the LGA to agree commissioning geography to reflect functional economic areas (likely combined authorities in urban and rural areas) to align with travel to work and learn patterns, and enable more sophisticated commissioning – labour market strengths and weaknesses etc;

- Rolling programme of devolution deals beyond those currently agreed or in negotiation, recognising the government's local governance requirements; and
- DWP and the LGA working in partnership to establish the metrics, payment models, and standards for measuring past performance and assessing future performance gains, to determine performance and financial benchmarks. END

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