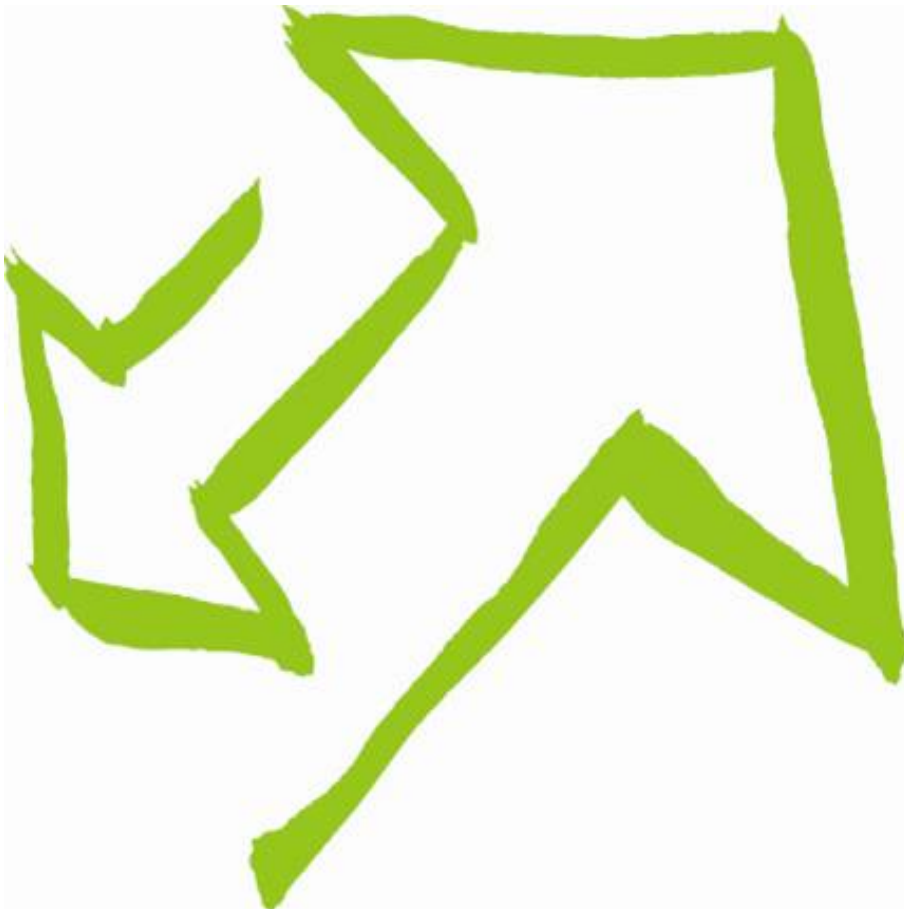


Regeneration

Worklessness

West Midlands Metropolitan Councils

October 2009



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Service Inspections

- 1 This inspection has been carried out by the Audit Commission under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. These principles embody the objectives of our Strategic Plan and Strategic Regulation. They also reflect the principles from The Government's Policy on Inspection of Public Services (July 2003). Audit Commission service inspections should:
 - focus on public service outcomes from a user perspective;
 - act as a catalyst to help inspected bodies improve their performance;
 - concentrate inspection work where it will have most impact, so that it is proportionate and based on an assessment of risk;
 - be based on a rigorous assessment of costs and benefits, with a concern for achieving value for money both by the inspected organisation and within the inspection regime itself;
 - be, and be seen to be, independent of the inspected organisation;
 - report in public, using impartial evidence to inform the public about the performance of public services so as to enhance accountability;
 - involve collaborative working with other inspectorates and external review agencies to achieve greater coordination and a more holistic approach to the assessment of performance by audited and inspected bodies;
 - share learning to create a common understanding of performance that encourages rigorous self assessment and better understanding of their performance by inspected organisations;
 - be carried out objectively by skilled and experienced people to high standards and using relevant evidence, transparent criteria, and open review processes; and
 - enable continuous learning so that inspections can become increasingly effective and efficient.
- 2 We assess services using published key lines of enquiry (KLOE) to inform our judgements. The KLOEs can be found on the Audit Commission's web site at www.audit-commission.gov.uk.
- 3 This report is issued in accordance with the Audit Commission's duty under Section 13 of the 1999 Act.

Summary

- 4 The West Midlands Metropolitan Councils have a good understanding of the issues they and their partners are facing in tackling worklessness in the City Region. The councils have a track record of effectively delivering worklessness initiatives and meeting funding stream requirements. There are a number of successful approaches being delivered by councils and their partners that are meeting the needs of local people; often those furthest from the job market or the most vulnerable. However, the intended improvement in worklessness has not been achieved or sustained over time and the numbers being reached are not having an impact in proportion to the size of the problem. The gap has not narrowed significantly between the most disadvantaged communities and the council areas as a whole and the situation is worsening in the current recession.
- 5 Initiatives to combat worklessness are informed by good and improving knowledge of the needs of local communities. The development of Neighbourhood Employment and Skills Plans (NESPs) has given momentum to this activity and partners are increasingly identifying and responding to local priorities based on assessment of need. Councils are using neighbourhood networks within their communities to identify unmet need. Increasing gaps in provision are being identified and addressed by improved approaches to partnership planning and commissioning. However, there is scope for more direct involvement of both users and potential users in evaluation and development of services and for councils to enhance their understanding of the changing profile of worklessness in the recession.
- 6 Disadvantaged individuals and communities have benefited from tailored and targeted support that has helped them into training and employment. Support is being provided for people with a range of problems such as disability or criminal convictions to help them towards employment. Increasingly barriers are being identified and overcome such as transitional financial help when moving from benefits into employment. However, councils do not make enough use of their role as employers to provide opportunities for priority groups to gain jobs or experience of the work environment.
- 7 There are some barriers to partnership working that are hindering progress that are not in the direct control of councils. Restrictions on the sharing of personal information makes it difficult for councils and their partners to deliver integrated services that respond to the needs of individuals and allow sufficient information to be gathered on the outcomes being delivered. Securing external funding and responding to changes in funding criteria can be resource intensive and may not represent good value for money. Fulfilling funding requirements and targets has become a focus for councils and this can disproportionately be regarded as the measure of performance which means that the wider contribution that councils can make may be missed.

Summary

- 8 Arrangements to secure and improve value for money in the provision of services to tackle worklessness are under developed. Information on unit costs is limited, as is comparative information. Though councils are beginning to challenge what is being delivered and at what cost through the commissioning process, they do not yet have sufficient information to determine to what extent VFM is being delivered. Consideration of value for money is therefore not being used to inform decision making.
- 9 Plans are in place that are providing direction for the councils' own activities, securing better integration of partnership activity related to worklessness and allowing improved responsiveness to need. However, there is scope for greater clarity and alignment from strategic aspirations through to operational delivery. There is no single strategy in place, within any of the councils that incorporates and consolidates all aspects of the councils' role in tackling worklessness against which performance can be managed. Performance is currently judged, in the main, against the outputs achieved by individual strands of activity or by overall performance against LAA targets. There is insufficient information on the outcomes being achieved. This is not allowing the councils to fully assess the impact they are having related to the size of the problem faced nor is it supporting the systematic replication of what works.
- 10 Councils are committed to tackling worklessness and partnership working is adding capacity on the ground, such as the approach taken in the City Strategy pilot. This is improving links with local people and providing services that are targeted at those most in need. Joining up of services is improving including the development of the cross-partner Integrated Employment and Skills model and roles and responsibilities are being clarified. Efforts are being made to improve engagement with employers to ensure their needs are better identified and met. However, there is still some way to go to embed these developments.
- 11 A Multi Area Agreement (MAA) is at an advanced stage of development and is seeking to achieve transformational change in the way worklessness is tackled by partners in the City Region. Currently there is insufficient emphasis on working strategically across council boundaries or increasing value for money by achieving economies of scale. The MAA intends to address this as well as securing devolvement of resource decisions from national to sub regional level to secure greater impact in response to the level of need in the West Midlands. However, work is still in progress to define the specific arrangements for how partners will work differently at a sub regional level and how this will align with individual council area plans.

Recommendations

- 12** To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. These recommendations are directed at each individual council but should be discussed and delivered in partnership at the City Region level. Our recommendations identify the expected benefits for both local people and the councils. In addition, we identify the approximate costs¹ and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the councils should do the following.

Recommendation

R1 Ensure the single performance management system (for local, regional and national agencies) being developed through the Multi- Area Agreement results in a clear and aligned strategic framework relating to the planning and delivery of employment and skills services in the West Midlands sub region.

- 13** The expected benefits of this recommendation are that:
- performance management is collective and strategic rather than focused on separate plans at different spatial levels with different governance arrangements;
 - worklessness is understood, addressed and performance managed at a sub regional level with solutions developed that take account of cross boundary factors and opportunities - work as part of the City Strategy pathfinder can be built upon with work to be carried out as part of the councils' economic assessment duty and through the development of work and skills plans;
 - there is a clear strategic direction from high level plans through to operational level activity;
 - initiatives are evaluated against common criteria and if successful can be replicated more widely and consistently in proportion to the size of the problem;
 - there is improved coordination and targeting of resources to maximise benefits, avoid duplication and achieve common goals; and
 - there would be improved data sharing supporting shared performance management.
- 14** The implementation of this recommendation will have high impact with medium costs. This should be implemented by April 2010 to be ready to support delivery of the MAA

¹ Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

Recommendations

Recommendation

R2 Ensure that the strategic ambition expressed by councils in the West Midlands to work differently and without regard to local government boundaries translates into practice through the MAA.

15 The expected benefits of this recommendation are that:

- there will be more effective use of resources; economies of scale, improved efficiency, and duplication of effort is avoided;
- councils take a sub regional approach to employment and skills and to enabling access to jobs; and
- replication of what works can take place on a larger scale proportionate to the size of the problem.

16 The implementation of this recommendation will have high impact with medium costs. This should be implemented by October 2010.

Recommendation

R3 Each council should develop a council-wide worklessness strategy which can be performance managed to ensure significant and continuous improvement is made and the role of the whole Council is maximised.

17 The expected benefits of this recommendation are:

- leadership across the council is strengthened with a clear direction for activity related to worklessness defined;
- prominence is given to worklessness in proportion to its priority status;
- a corporate knowledge is held of all elements of activity taking place and the contribution made from all council services is identified and maximised;
- outcomes and targets delivered are considered in the context of the council's overall worklessness objectives rather than against external funding requirements; and
- response to the changing profile of the unemployed can be defined.

18 The implementation of this recommendation will have high impact with low costs. This should be implemented by March 2010.

Recommendation

R4 Each council should review its recruitment, workforce planning and development practices to establish how it can best secure a council-wide contribution to delivering its worklessness objectives through its role as an employer. The approach should then be developed in partnership through the LSP.

19 The expected benefits of this recommendation are:

- significant opportunities for those most in need to access jobs or gain experience of the work place;
- the council is an exemplar employer;
- the cumulative impact of public sector organisations actively using their employer role enables a response more in line with the size of the problem; and
- councils contribute to the Integrated Employment and Skills Model.

20 The implementation of this recommendation will have high impact with low costs. This should be implemented by March 2010.

Recommendation

R5 Each council, along with their partners, should establish a strong outcome based approach to worklessness activity to inform planning, performance management and commissioning of initiatives.

21 The expected benefits of this recommendation are:

- a clear understanding of outcomes to be delivered and the criteria against which success is to be evaluated;
- data sharing and tracking issues are overcome;
- decision making is well informed and there is a systematic approach to determining what should be replicated and commissioned; and
- an understanding of the client pathway and what factors accelerate the passage into work is established.

22 The implementation of this recommendation will have high impact with low costs. This should be implemented by March 2010.

Recommendations

Recommendation

- R6** Demonstrate and improve delivery of value for money by:
- developing systems that provide the council, and its partners, with the cost/benefit information they need to make decisions, as well as giving funding bodies the financial information they require;
 - setting targets to improve value for money;
 - developing the links between financial and performance information; and
 - undertaking regular evaluation of all projects and initiatives to measure effectiveness and establish the balance between cost and outcomes

23 The expected benefits of this recommendation are:

- the development of robust cost information;
- improved knowledge of what the service is delivering and at what cost which can inform strategic decision making;
- managers and Councillors can consider cost information alongside performance information as part of performance management;
- improved cost benefit analysis in decision making and deciding what to replicate;
- development of intelligence to inform future plans;
- use of resources is maximised; and
- there is public assurance that services are cost effective.

24 The implementation of this recommendation will have high impact with low costs. This should be implemented by March 2010.

Report

Context

The Inspection

- 25** This inspection of worklessness in the West Midlands covers all seven Metropolitan Councils in the sub-region.
- Birmingham City Council
 - Coventry City Council
 - Dudley Metropolitan Borough Council
 - Sandwell Metropolitan Borough Council
 - Solihull Metropolitan Borough Council
 - Walsall Metropolitan Borough Council
 - Wolverhampton City Council
- 26** The inspection focused on the role of the councils' in tackling worklessness. As agreed with the councils, the inspection was a strategic assessment of:
- how well individual areas understand and respond to the needs of residents in tackling worklessness and targeting regeneration activity;
 - the extent of community engagement in shaping the existing response;
 - how far the approach taken represents value for money;
 - the ability of councils to work in, and manage, relationships, partnerships and delivery chains with agencies in their sub-region and the City-Region, and respond dynamically to change and opportunities; and
 - the robustness and consistency of strategic direction across the sub-region and the performance management and capacity to deliver.

Report

- 27** To establish this the inspection examined:
- how well each area's worklessness strategies and targets are aligned to, and reflected in, other relevant strategies and plans;
 - only those activities that make a direct contribution to reducing worklessness;
 - how well the balance between local priorities and partnership priorities are managed;
 - to what extent things are being done differently because of initiatives resulting from partnerships such as City-Region. This includes the aligning of services and resources to take a strategic and targeted approach to tackling the issues and to maximising the impact of collective resources; and
 - how well Councils and their partners make specific provision to target and address the diverse needs of their communities.
- 28** The inspection did not examine, in depth, aspects of service provision related to other strategies or plans, which fall outside the direct remit of worklessness. For example, it did not specifically review the contribution of other mainstream services such as housing, transport, planning, health or the breadth of regeneration activities.
- 29** It was also agreed that the inspection would result in an overview report covering all seven councils and therefore be published without scored judgements. The main body of the report identifies findings that are common to all or most of the councils. In addition a short appendix is included for all of the seven areas focusing on the main issues specific to each.
- 30** The inspection has taken place during a period of recession and consequent rapid increase in unemployment. These circumstances have been taken into account but the inspection looked to see how councils' have responded to a rapidly changing economic environment.
- 31** A range of partners have made a considerable contribution to supporting and informing this inspection particularly Job Centre Plus, the Learning and Skills Council, Advantage West Midlands (the regional development agency) and Government Office West Midlands.

The National Context

- 32** Nationally the number of people out of work hit a 12 year high at 2.38 million with the jobless total increasing by 281,000 in the three months to May 2009. The number of people claiming jobseeker's allowance (JSA) increased by 39,300 in May 2009 to 1.54 million, the highest total since the summer of 1997. Other figures from the Office for National Statistics (ONS) showed that youth unemployment reached its worst level since 1994 of 695,000 following a 74,000 increase in the number of 18 to 24 year-olds out of work. Long term unemployment, those out of work for more than a year, increased by 54,000 to a 10 year high of 515,000. The number of people in work fell by 269,000 over the same three months to just under 29 million. The rate of employment for people of working age was 72.9 per cent, down 0.9 per cent from the previous quarter. This is the largest quarterly fall in the working age employment rate since comparable records began in 1971.

- 33 Public sector employment increased by 15,000 to more than six million in the first quarter of 2009². This is the highest figure since comparable records began in 1999, though some of the increase was due to banking services switching from the private sector under the Government's takeover scheme.
- 34 More than 300,000 people were made redundant in the three months to April 2009, an increase of 36,000 on the previous quarter and the highest total since records began in 1995. The number of workforce jobs was 31 million in March, down by 108,000 on the quarter, while vacancies fell by 38,000 in the quarter to April to 444,000, another record low.
- 35 The number of working age people classed as economically inactive, including those who have given up looking for work, increased by 64,000 over the three months to May 2009 to reach 7.92 million, a fifth of the working age population.

² [ONS Statistics Bulletin – Public sector employment Q1 2009](#)

Worklessness inspection

The Locality

- 36** Worklessness refers to all those of working age who are not working. It goes beyond the traditional definition of unemployment as it includes all those who are either looking for work or those not actively seeking work, such as those on incapacity benefit. It is one of the biggest challenges facing our cities. Having a lower proportion of the working age population available and appropriately skilled for work can frustrate employer demand, limit local economic growth and divert funds away from other services. These economic impacts, as well as the implications for social exclusion and equality, make reducing worklessness one of the top priorities for both national and local government.
- 37** At an individual level, access to work is affected by people's aspirations as well as their skills and the availability of suitable jobs. There are also wider influences such as education, health, housing, the physical environment and how safe people feel, all of which are contributed to by council services.
- 38** This report focuses on the impact of the councils' activity related to employment and skills. It looks at how successfully people of working age, who are on benefits, are being helped to move closer to the job market.
- 39** Worklessness is high in the West Midlands region. This is reflected in the Regional Economic Strategy which notes that the percentage of the working age population who are workless is above the England average (27.1 per cent in the West Midlands compared to 25.7 per cent in England and the 21.7 per cent in the best performing region). City Region analysis shows the employment rate as 68.4 per cent of the working age population in June 2008. This position had worsened since 2005 when the employment rate stood at 70.1 per cent.
- 40** Worklessness is most acute among specific groups such as Black and Minority Ethnic communities, under 25s, over 50s and those with a disability. The employment rate for the non-white population of the West Midlands is 53.5 per cent³ and 45.2 per cent for people with disabilities. Significant concentrations of worklessness are also seen in disadvantaged communities. There are far more areas of multiple deprivation than the national average with most concentrated in Birmingham and the Black Country⁴.

³ Annual population survey, Nomis. Data for October 2007 to September 2008

⁴ Black Country refers to the area comprising Dudley, Sandwell, Walsall and Wolverhampton.

- 41 The level of unemployment and economic inactivity is above average in the City Region⁵, and has increased over the last three years. The unemployment rate rose from 7 per cent in 2005 to 8.3 per cent in 2008, while the inactivity rate reached 25.5 per cent of the working age population compared to 24.6 per cent in 2005. Further, economic inactivity rose in all but two areas (Coventry and Walsall). All of the local authorities in the city region experienced an increase in the total number of claimants over the period since 2000.
- 42 Economic output per head is below the national and regional averages with a significant proportion of the productivity gap attributable to worklessness and low skills.⁶ The economy has experienced sharper economic change than many other parts of the country and this is forecast to continue. Despite recent improvements, skill levels are significantly lower than the national and regional averages. A recent ONS report found that the West Midlands was the region hardest hit by the recession. Over the last year, the region has seen:
- the largest fall in employment rate - down 3 per cent, from 73.2 per cent to 70.3 per cent;
 - the sharpest increase in redundancies - up from 7.2 per thousand employees, to 16.6 per thousand;
 - the largest increase in unemployment - up 3 per cent, from 6.2 per cent to 9.3 per cent;
 - the largest fall in vacancies - down from 119 per 10,000 population, to 49.
- 43 Manufacturing industry is in decline particularly the car industry which is having a significant impact in the West Midlands. Public sector organisations in the region employ approximately 25 per cent of the working age population which is higher than the national average of 18 per cent.
- 44 The highest percentage of economically active population who are unemployed is in Wolverhampton (9.5 per cent). Solihull has the lowest percentage in the West Midlands metropolitan area (5.2 per cent). Of the seven authorities, all except Solihull have a higher unemployment rate than the national average.⁷
- 45 Solihull has the highest percentage of the working age population with qualifications at level NVQ4 and above (29.5 per cent), whereas Sandwell has the lowest (13.5 per cent). All authorities except Solihull are lower than the national average for the percentage of working age population qualified to NVQ 4 and above. Wolverhampton has the highest rate of people of working age with no qualifications, at 29.9 per cent, compared to the West Midlands regional average of 17 per cent and the national average of 13.1 per cent. Solihull has the smallest proportion of people with no qualifications.⁸ Skills gaps are most prevalent among older age groups but are also present in younger people.

⁵ Draft City Region MAA June 2009

⁶ Draft City Region MAA June 2009

⁷ Nomis (ONS annual population survey) July 2007 to June 2008

⁸ Nomis (ONS annual population survey) January 2007 to December 2007

Table 1 Skills levels of working age population Jan 07 - Dec 07

	% with NVQ4+	% with NVQ3+	% with NVQ2+	% with NVQ1+	% with other qualifications	% with no qualifications
Birmingham	24.7	40.6	58.5	71.5	9.6	18.9
Coventry	24.4	43.5	59.4	74.2	8.9	16.9
Dudley	20.7	38.9	62.5	77.7	4.8	17.5
Sandwell	13.5	26.3	45.0	61.4	12.8	25.8
Solihull	29.5	49.2	65.3	80.1	6.0	13.8
Walsall	16.8	33.4	52.4	68.5	6.8	24.7
Wolverhampton	18.3	32.0	49.9	62.7	7.4	29.9
West Midlands	24.6	42.0	61.1	75.4	7.7	17.0
England	28.3	46	64.1	78.1	9	12.9

Source: annual population survey, Nomis (January to December 2007)

46 7.7 per cent⁹ of the working age population in Birmingham are JSA claimants. This is the highest proportion in the City Region and nearly double the national average. Solihull has the smallest number of JSA claimants (4.4 per cent), although on average the City Region has a greater proportion of JSA claimants (5.4 per cent) compared to the national average of 4.1 per cent. Looking at particular key benefit claimants, Birmingham has the highest proportion of job seekers and lone parents claiming benefits, whereas Sandwell has the highest proportion of incapacity benefit claimants and disabled claimants. Solihull has the lowest proportion of all four claimant types. There are now 11 JSA claimants per vacancy in the West Midlands, more than in any other region. The ONS says that employment rates started to fall sharply in the West Midlands in the second half of last year, and have continued to fall faster than in any other region.

⁹ Nomis (ONS claimant count with rates and proportions) May 2009

The Context of Worklessness

- 47 The West Midlands continues to face a number of challenges, including:
- the loss of traditional jobs particularly in manufacturing and engineering;
 - low paid jobs not meeting the expectations of the unemployed and skills not meeting employers needs;
 - low aspirations limiting the search for job opportunities or skills development;
 - reliance by some on benefits – sometimes compounded by participation in the informal economy;
 - the relatively high investment of resources and time needed to progress the long term unemployed into the labour market; and
 - population turnover and entry of new migrant communities.
- 48 These issues are compounded by barriers to overcome for some individuals such as:
- caring responsibilities and the cost of childcare;
 - health problems or drug and alcohol dependency;
 - employment of ex-offenders; and
 - the cost of transport, clothes and equipment related to work.
- 49 Councils undertake activity, to a greater or lesser extent, that aims to provide pathways to employment for the most disadvantaged in the most deprived areas. This can take place through:
- advice and awareness raising about employment opportunities;
 - mentoring and motivating to encourage take up of opportunities;
 - basic skills provision including language and literacy and vocational training;
 - job search and interview skills; and
 - addressing barriers to employment including:
 - childcare;
 - illness and disability;
 - benefits and debt advice;
 - access to transport; and
 - support for local social enterprises and entrepreneurship.
- 50 Councils have an economic development role which seeks to increase the number of jobs by stimulating inward investment and helping to support the competitiveness and growth of existing businesses in order to secure job retention and creation. All the Council areas have National Indicator (NI) targets related to economic development in their LAAs. These are either:
- NI 171 VAT registration rate; or
 - NI 172 Percentage of small businesses in an area showing employment growth.

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- 51 A recent national report (Houghton report) notes 'Local Area Agreements, Multi Area Agreements and City Strategies have all signalled a strong intent by government to engage local authorities and partnerships in tackling worklessness.' The new performance framework and the comprehensive spending review (CSR) give more control over regeneration to local areas. The Local Area Agreement drives public services to work together in local strategic partnerships to encourage economic growth and tackle deprivation.
- 52 The public sector has a broader and potentially powerful role to play as an employer and procurer of services. The sector accounts for a quarter of all jobs in the West Midlands. Therefore councils and their partners have significant potential to recruit from targeted groups and use their procurement function to actively stimulate job and work placement opportunities for local disadvantaged people. Acting as exemplars and influencing others is part of the leadership role of councils', as a model across sectors in tackling worklessness. Pressures being faced in the recession, with less recruitment and potential job losses, mean that the challenge to ensure worklessness objectives are central to councils' workforce practices is greater but even more relevant.
- 53 The role councils can play is therefore, wide ranging and varied but equally requires a clarity of purpose in order to integrate and supplement existing mainstream employment and skills provision. Government agencies have the primary role or statutory responsibility for certain aspects. In simple terms, the Learning and Skills Council (LSC) is responsible for commissioning and improving post 16 training and skills (outside higher education for the unemployed and employed) and developing apprenticeships. Job Centre Plus (JCP) directs people on benefits into work and helps employers fill their vacancies. AWM (Advantage West Midlands- the regional development agency) has overall responsibility for economic growth and Business Link seeks to address the needs of employers. To make a significant difference in decreasing worklessness requires the cooperation and integration of the work of a considerable number of partner organisations.
- 54 The role of councils will increase in 2010 when changes are made to the LSC. Nationally, £7 billion of funding will transfer to councils when they take on responsibility for 16 to 19 year old skills. A new Skills Funding Agency (SFA) will distribute funding for adult learners. The Skills Funding Agency will oversee the distribution of £4 billion funds and manage the performance of further education colleges. It will also encompass the new National Apprenticeship Service (NAS). These changes are expected to be completed by 2010/11.

- 55** On the whole, councils fund little direct delivery of employment and skills activity themselves (beyond Education Services). They may deliver or commission services with funding they receive from a number of sources. Funding to address social and economic issues including worklessness has been received from various national and European sources. National initiatives have included New Deal for Communities (NDC) and 'Welfare to Work' programmes; government funded schemes targeted at particular neighbourhoods including single regeneration budget schemes, Employment action zones and job action teams. Different government departments have funded initiatives to tackle different aspects of worklessness; including the Department of Communities and Local Government (DCLG), Department of Works and Pensions (DWP), the former Department of Innovation, Universities and Skills (DIUS), and the former Department of Business, Enterprise and Regulatory Reform (BERR). Therefore, understanding the funding environment can be both an opportunity and a challenge for councils.
- 56** The main sources of funding that have supported worklessness initiatives in recent years are:
- Neighbourhood Renewal Fund (NRF): 2001 to 2008;
 - Single Regeneration Budget (SRB) 6: 2001 to 2007,
 - New Deal for Communities (NDC): 2001 to 2011;
 - Working Neighbourhoods fund WNF 2008 to 2011; and
 - European Social Fund Co-financing programme (2007 to 2013).
- 57** More recently some councils are benefiting from Working Neighbourhoods Fund (2008 to 2011), which has replaced the Neighbourhood Renewal Fund and is directed at local authority areas with the highest levels of worklessness but allows some flexibility at a local level on how it is spent related to local need. The joint European Social Fund Co-financing programme (2007-13) which amounts to £250 million for the West Midlands is being allocated and overseen by the LSC, again according to need.
- 58** LAAs do not have significant dedicated funding but are intended to bring together the mainstream funds of partners alongside area based grant from Government to ensure delivery. In July 2009 the Birmingham, Coventry and the Black Country City Region was successful in its bid for nearly £38 million from the new government Future Jobs Fund. This will be aimed at combating youth unemployment by providing around 5,900 job and training opportunities to 19 to 24 year olds.
- 59** Additional changes to the way services are developed and delivered at local level were signalled in 2008 with the publication of the Department for Work and Pensions (DWP) Commissioning Strategy which outlined a much greater focus on payments by results when awarding welfare-to-work contracts to the public, private and voluntary sectors in Great Britain.

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60 This changing policy and funding environment for worklessness is therefore a challenge for councils and their partners to respond to, particularly the voluntary sector. Councils have little influence on these arrangements which are mainly determined by Central or European government. The continuously changing environment provides the context for the councils' plans to tackle worklessness which require resources to be expended on bidding for funds, establishing new implementation arrangements and delivering activity according to the funding stream requirements.

Partnerships

61 Partnership working takes place at a number of levels.

62 Sub-regionally the seven local authorities (with Telford and Wrekin Council) have come together to form the Birmingham, Coventry and Black Country City Region Partnership. With other partners, including JCP and the LSC, a shared strategic direction for worklessness is being developed. The City Region has a joint investment plan with three priority work streams one of which is to address worklessness and low skills. The City Region oversees the City Strategy Pathfinder which focuses on reducing levels of worklessness within the 55 most disadvantaged wards in the City Region with worklessness rates in excess of 25 per cent. Sixteen of the wards are in Birmingham. Neighbourhood Employment and Skills Plans (NESPs) have been developed for each of these wards. The City Region received £320,000 of initial funding for the period January 2007 to March 2008 and £10,039,108 for the period June 2007 to March 2009.

63 Employment and Skills Boards (ESBs) have been established to strengthen employer involvement. The Chairs of the four ESBs constitute the majority membership of the City Region Employment and Skills Strategic Management Board (ESSMB). Job Centre Plus and LSC have agreed a Single Employer Offer that sets out the work the two agencies can do to support employer recruitment and skills.

64 City Region partners have submitted a proposal (in collaboration with Warwickshire) for a MAA for employment and skills which aims to build on the work of the City Strategy pathfinder and Integrated Employment and Skills Pilot and embed the integrated employment and skills model that has been adopted by partners. Through the MAA the City Region seeks to secure the powers to:

- develop and agree an Adult Employment and Skills Strategy and Commissioning Plan for the City Region;
- work in equal partnership with Government to formally influence all regional and national employment and skills funding and commissioning, aligning this with local spending and activity;
- introduce a single performance management system for all relevant local, regional and national agencies involved in the planning and delivery of employment and skills services.

- 65** The City Region has also submitted an Accelerated Development Zone (ADZ) proposition to Government. The ADZ submission is based upon the commitment of the partners to work together on significant projects in six of the local authority areas that support economic growth and regeneration. This approach is intended to share the risks and the benefits of the projects on a cross boundary basis.
- 66** Four of the authorities work together as the Black Country Consortium. These are Dudley, Sandwell, Walsall and Wolverhampton. Worklessness has been considered in The Black Country Study, the Core Strategy and the Black Country Investment Plan which outline the strategic and operational plans for the area and a Black Country worklessness framework is being developed.
- 67** The main focus of partnership working at an area level is through the Local Strategic Partnerships which oversee the delivery of sustainable community strategies and individual LAAs. In the West Midlands all LAAs contain National Indicator targets related to worklessness and skills but the combination varies between partnerships. The main targets are as follows.

NI	Title
151	Employment rate
152	Working age people on out of work benefits
153	Working age people claiming out of work benefits in the worst performing neighbourhoods
163	Working age population qualified to at least Level 2 or higher
164	Working age population qualified to at least Level 3 or higher
165	Working age population qualified to at least Level 4 or higher
117	16 to 18 year olds not in education, training or employment (NEET)

- 68** Three of the seven partnerships have NI 153 in their performance data set placing the emphasis on disadvantaged areas and closing the gap. Through the LSPs the contribution of public, voluntary and private sector partners can be coordinated and performance managed to ensure delivery of shared goals and improvement plans.

Worklessness inspection

- 69 Difficulties sharing data on clients between agencies impacts on councils' ability to target their efforts and manage performance. Legislation such as the Data Protection Act, with the requirement to maintain confidentiality of personal information, is given as the reason for key agencies, primarily JCP and the LSC, being unwilling to share information related to clients with councils. There are also issues of compatibility between some systems that would make sharing and protecting information difficult. This makes it harder for councils to identify suitable clients, track their progress over time (and between partners) and evaluate the effectiveness of interventions. Data sharing can take place, however, when authorised. For example, the new DWP 'In and Out of Work' pilot allows the sharing of information between JCP, councils and other relevant agencies. This aims to smooth the way for people moving from benefits into work and seeks to collect information from the individual once and pass it on as necessary to avoid unnecessary duplication.

Wider worklessness policy

- 70 Further strategic influences that impact on worklessness include the Economic Development and Construction Bill. This proposes to strengthen councils' role in economic development with a new duty for local authorities to assess economic conditions; a joint duty with regional development agencies to produce a single regional strategy; and powers for councils to promote economic development. In the West Midlands a Strategic Transition Group is developing the regional response. Currently, regional ambitions are described in the Regional Economic Strategy (RES) and the Regional Spatial Strategy. The West Midlands wishes to be recognised as a world-class region in which to invest, work, learn, visit and live. The key headlines for growth between 2001 to 2021 include a 20 per cent increase in employment together with a 5 per cent increase in population, supported by over 400,000 new homes. The connection can then be seen with initiatives that are improving the future infrastructure such as Housing Market Renewal and Building Schools for the Future which can in themselves provide job opportunities.

How good is the service?

What has the service aimed to achieve?

- 71** Tackling worklessness is a key corporate priority for all the councils and their partners. This is reflected in their sustainable community and corporate strategies. These make it clear that the response to worklessness is the responsibility of all partners and of the whole organisation and is not confined to the directorate or department overseeing regeneration or economic development activity. They also recognise the links between action to address worklessness and priorities on health improvement, educational attainment and crime reduction.
- 72** LAA targets adopted by all the councils reinforce the importance of narrowing the gap between deprived and the most prosperous communities. The shared importance of this for partners across the sub region is reflected in the key City Strategy outcomes (to be achieved by 2012).
- To at least halve the gap in employment rates between the most disadvantaged communities (the target wards) and the rest of the City Region, reducing the numbers of claimants of the main workless benefits.
 - To make significant progress in closing the gap between the proportion of unqualified people in the most disadvantaged communities (the target wards) and the rest of the City Region.
 - Public sector employers to set clear targets for recruiting from the most disadvantaged communities (the target wards).
 - To have put in place and established a Progressive, Integrated and Employer-led Employment and Skills System.
- 73** The development of the City Strategy has given impetus to partnership working across the public, private and voluntary sectors. The strategy commits partners to work together to remove the barriers to employment and training opportunities for people in target areas and for vulnerable groups, including those on Incapacity Benefit.
- 74** There is also a shared acknowledgement in partner strategies and plans of the importance of linking solutions to worklessness with the needs and demands of employers. Employment and Skills Boards have been established to facilitate this. The core requirement to alter the structure and performance of the regional economy is at the heart of regional and sub regional strategies and policy making. The need to improve the skills base of the local population to enable the region to achieve a shift to a more diverse, knowledge based and higher paid economy is a consistent theme through regional to sub regional and local strategies.

How good is the service?

- 75 The onset of the recession has added new challenges for the councils and their partners. Responses to the increase in unemployment and the impact of the global recession on the local economy are being developed and delivered alongside existing work to target disadvantaged communities.

Is the service meeting the needs of the local community and users?

- 76 The needs of workless people are generally well understood and are central to the design and delivery of services that councils provide, however restrictions on data sharing between partners limits the shared approach to shaping services to meet those needs and the level of understanding of how well needs are being met. At a strategic level councils have a depth of knowledge of the issues facing their areas and the sub region but they are yet to make full use of this information in joint action planning or in determining what works best and what should be replicated on a larger scale.
- 77 Information on the needs of workless groups informs the design and delivery of services, although restrictions on data sharing continue to create some gaps in understanding. Councils have a track record of collecting data about levels of unemployment in their areas to inform accessing and delivery of external funding. This has been built upon more recently by development of NESPs which are giving an increasingly detailed picture of need in priority communities and are providing the focus for delivery of City Strategy and LAA targets. To inform these, councils are collecting and analysing data, in some cases down to ward and super output areas (SOAs), from a range of sources including the Census and MORI polls, to give a baseline understanding of levels of need in their areas.
- 78 The restrictions on sharing of data on individuals mean that councils and their partners are not able to use the full range of information available to understand the details of local need and to use this to develop responses. Restrictions by JCP and the LSC on sharing personal data with councils also make it difficult to track the progress of people through different programmes of support and training. So it is not clear how effective these are.
- 79 Information on gaps in services for workless people is good and is increasingly being used to determine responses. The development of NESPs has given momentum to this activity. In Walsall a detailed exercise reviewed the current worklessness provision in the area and identified gaps and instances where services were duplicated. Partners then agreed which duplicated services should cease and commissioned projects designed specifically to fill the gaps identified. In Birmingham the LAA delivery planning template summarises the rationale for targeting support at SOAs with a worklessness rate of 25 per cent and above and clearly explains how the range of interventions are intended to meet the needs of groups who are the most difficult to reach. The increased focus on developing in depth understanding of smaller areas of concentrated worklessness and of the needs of the hardest to reach is providing a more robust basis to deliver appropriate services.

- 80** Although councils and their partners have extensive knowledge of the diversity and needs of their areas gaps in knowledge of the needs of some communities remain. There are some well established and effective projects to provide employment for people with learning disabilities – examples include Birmingham’s Disability Employment Solutions service and Coventry’s Employment Support Service. There are also well established projects that provide culturally sensitive services for specific communities including the Aston Pride project in Birmingham which recognises that some clients need to seek employment and training in a specific geographical area and may need to be accompanied by family members. These are consistently appreciated by users and are tailored to their specific needs. However information on movement of individuals between communities and on the needs of newly settled communities remains patchy and councils are still working with partners to find ways of capturing and using this to develop services.
- 81** Direct involvement of target groups in developing and evaluating services is limited but councils do use information from their consultation and engagement activity to shape the way that services are delivered. In Sandwell the Council is using user views from external evaluations of existing projects to directly shape the projects to tackle worklessness commissioned through the new Working Neighbourhoods Fund (WNF). Most councils have begun to use outreach work through local agencies to link to hard to reach groups and influence how new projects are developed. Birmingham (via the Aston Pride project) and Dudley Councils have used the work of locally based council staff and those from other statutory and voluntary agencies to engage hard to reach communities. This helps ensure that responses have credibility and relevance for target groups.
- 82** There is a shared understanding of the economic threats and opportunities facing the sub region and individual council areas and this is informing plans to address worklessness. Partners are clear they are seeking to develop a more diverse, knowledge based sub regional economy. The Regional Economic Development Officers Group and the West Midlands Regional Observatory produced the first Regional Economic Assessment in the country. The Regional Economic Strategy stresses the importance of reducing the percentage of the working age population who are workless. Key strategy documents including the City Strategy business plan and Council documents demonstrate their development has been informed by in depth analysis of the issue. Councils are developing responses related to the impact of key strategic issues such as the housing growth agenda. This gives councils and their partners a robust, shared basis on which to deliver solutions.
- 83** Across the Black Country, involving Dudley, Sandwell, Walsall and Wolverhampton Councils, a core strategy is in development intended to provide a setting for the Regional Economic Strategy. Specifically, a worklessness framework, a Black Country Employment and Skills Protocol and a Black Country memorandum of understanding on worklessness are being developed to clarify the direction and to capitalise on opportunities for closer partnership working at this geographical level.

How good is the service?

- 84** Partners across the West Midlands have shared ambitions for the sub region, based on robust information and expressed in plans, but these have yet to be translated into significant joint action. As yet, the focus of activity of councils' has been on plans to combat worklessness and encourage inward investment in their individual areas. There has been some joint working to generate employment opportunities for example between Birmingham and Solihull and in the Black Country but the extent of this has so far been limited. The joint development of Sustainable Urban Development programme (SUD) packages across the Black Country authorities has helped to develop shared responses to common causes of worklessness for target communities although these have recently been finalised and are yet to be delivered. Therefore, partners are not yet making the best use of the sub regional economic information they have developed to work together to address common issues.
- 85** Councils and their partners are not maximising their shared research and evaluation capacity. There is a wealth of information on projects and initiatives in individual areas resulting from evaluations for funding providers, detailed reviews and routine monitoring. Though there is closer working to deliver the City Strategy and to develop the MAA, partners across the sub region do not routinely collate and share their knowledge to determine the most effective approaches.
- 86** There has not been consistent replication of successful approaches within or between councils. Instances where this has been done include the establishment of the Darlaston JET (Jobs, Employment, Training) project in Walsall, based on the learning from an effective centre in Bloxwich. But councils do not consistently use their knowledge of successful approaches to amend existing and develop new services. Partly due to the availability and demands of external funding most councils and their partners have run some successful pilot projects which have not been mainstreamed either because of a lack of continued funding or because systems to review effectiveness are not in place. This lack of a consistent approach to learning from success as a part of the delivery of programmes means that councils are not capitalising on successful approaches and the opportunity to build on them. A greater impact on narrowing the worklessness gap is being missed.
- 87** Councils are starting to use their own information more to inform their worklessness initiatives. Progress is being made on accessing and sharing information across council services. For example, Dudley MBC is using information on benefit claimants to identify potential clients for worklessness services. It has held workshops across the Council to identify ways to share information. Several other councils have begun to discuss how they could adopt a similar approach.
- 88** The extent to which the views and needs of employers influence worklessness responses varies. Councils use a range of methods to engage with employers and there are examples of effective joint working to address large scale threats to the local economy such as the Peugeot taskforce in Coventry which provided a co-ordinated response to the closure of the plant. However, the ability of councils and their partners to systematically collect and respond to the views of the range of businesses, particularly small and medium sized enterprises (SMEs), varies. The recession has made this task more difficult as companies have less time to devote to activities that do not contribute directly to their core business.

- 89 Services for workless people aim to be responsive to external changes but the speed at which the recession has affected the sub regional and local economies has placed unprecedented pressure on councils and their partners. To augment the information available from Job Centre Plus, Councils are collecting information on levels of predicted and actual redundancies and company closures where this is made available. Responses include pre redundancy support packages and job and information fairs targeted at those directly affected. Some councils are providing additional support to advice services in response to the steep rise in demand from the newly unemployed. However because of the pace of the recession's impact responses are still heavily reliant on anecdotal evidence and councils do not yet have definitive information on the impact of the recession on the job market across their areas.
- 90 With the information they have, councils and their partners are responding to the impact of the recession. Initiatives include targeted support and advice for redundant workers, and those at risk of redundancy, and additional support and engagement with businesses. However, not all councils have redundancy protocols in place with Job Centre Plus. This reduces their ability to understand and respond to the impact of the recession on the worklessness profile in their areas.
- 91 The councils and their partners are generally delivering the expected outputs and requirements of individual programmes and funding streams intended to decrease worklessness. However, because the numbers of individuals being reached through these programmes is relatively small, with respect to the number of people who are workless, the impact of these on the overall worklessness figure has been limited. For example, in Birmingham locally tailored interventions resulted in the number of residents supported into employment by March 2009 greatly exceeding the target (1105 against a target of 675) but this has limited effect on the overall worklessness figure of 132,250¹⁰ in the City. In all the council areas the gap in terms of the percentage of the worklessness population has not narrowed significantly between the most disadvantaged communities and the areas as a whole and the situation is worsening in the current recession.
- 92 City Strategy figures show that there was only a 54 per cent achievement of the 2009 target to reduce people on the workless benefit register in the 55 wards. Prior to the recession, progress towards meeting LAA targets to reduce worklessness differed but even in those areas where progress was generally good, for example in Sandwell and Solihull, this had limited impact on reducing the overall rate of worklessness or narrowing the gap between the percentage of those workless in priority areas and the rest of the boroughs. The onset of the recession has made it more difficult to achieve the LAA worklessness targets and the Government Office has agreed to freeze them as a result. Better progress is being made towards targets for increasing skills levels with City Strategy figures showing that skill targets were significantly exceeded over the same period.
- 93 In all council areas there are successful projects and initiatives that are having an impact in disadvantaged communities or responding to local need. The following case studies are examples of effective approaches in each area.

¹⁰ Birmingham Economy Worklessness Briefing - February 2009 (Figures as at August 2008)

How good is the service?

Local focus in Birmingham

Aston in Birmingham has been a focus for social and economic regeneration for several years and over time services have been developed and refined. Integration and co-ordination of services has been improved and delivery streamlined. Partners have established close links with local people and have an in depth knowledge of the community and its needs. Targeted initiatives have responded to those needs; for example, the Employment Connections project provides individual coaching and skills development. The scheme has helped over 900 Aston Pride residents into employment since 2006. The project reaches the community in a range of ways with support provided in the home or services shaped to be appropriate for the needs of different ethnic communities. Where possible the Job Brokerage Team matches individuals to jobs and provides employer-led customised training. An example of this is a Tesco store in which 63 per cent of the workforce was recruited from the local population. Prior to the economic downturn the Aston Pride initiative was seeing unemployment falling more quickly in Aston than across the City.

Response to redundancy in Coventry

Coventry City Council and its partners have a well established and targeted response to redundancy. A 'taskforce' approach between the Council and a range of partners, including the LSC and JCP, is triggered by intelligence of threatened redundancy. The approach was first developed seven years ago for Massey Ferguson and has since been replicated when needed for example with Jaguar and Royal Mail. Individualised support is offered to companies and their workers facing significant redundancies. Analysis of workers' postcodes, gender, age profile and skills sets determines the type and distribution of the response offered. Targeted resources are made available; early advice and guidance, opportunities for workers to experience mock interviews and skills assessments, support with applications and access to LSC training. Help is provided to identify available jobs and make links with prospective employers. JCP arranges bids to the governments rapid response fund should additional resources be needed. Following over 2000 redundancies from Peugeot Ryton in 2006 (30 per cent of workers lived in the City's regeneration zone); fewer than 100 were still on JSA a year later. The approach continues to be employed in the current recession though the task is made harder by fewer job opportunities.

Delivery in Dudley

Dudley Council's successful track record of delivering workless initiatives is supported by an established and integrated infrastructure. Future Skills Dudley (FSD) is part of the Council and has been delivering work related activities for over 20 years. It has been successful in securing external funding to deliver them and is currently the lead provider of many of the JCP and LSC contracted services in the Borough. FSD works closely with the Adult and Community Learning (ACL) team, as well as having strong links with other public, private and voluntary sector partners. These experienced teams have accumulated knowledge and expertise which is recognised by Ofsted and their provision of workplace skills, access to qualifications and work placements is considered good. The approach is flexible enough to begin to work across boundaries. For example, with New Deal funding, FSD is delivering integrated employment and skills support, together with partners from the private and voluntary sector, across the South Black Country (Dudley and Sandwell) reaching over 4,000 clients per year. As a provider FSD is achieving above the national average performance by moving 34 per cent of participants into work.

Contribution across the Council in Sandwell

Sandwell is using its 18 Children's Centres as paths into employment for local people. Parents are introduced to and encouraged to undertake training courses promoted in the Centres. Some have then become volunteers within the Centres. The self esteem gained from volunteering has given some the confidence to progress into employment, both within and outside the Children's Centre network. Support is given in other ways such as with job search. This pathway is part of a holistic approach to try to address the needs of families.

Improving homes and jobs in Solihull

In Solihull the Pathways to Employment and Training programme is a partnership between the Council, Solihull Community Housing and Solihull College. The partnership delivers construction training and support, aligned with employment opportunities, arising from work to achieve the Decent Homes Standard. In 2007/08 targets for participation and employment secured were both exceeded. The Council is now building on this experience by developing a number of linked initiatives to encourage local recruitment of workless people including the use of community benefit clauses in Council contracts, the development of an Employment Charter to be promoted to local businesses, and a commitment to employ people with a learning disability during 2009.

How good is the service?

One Stop Shop in Walsall

The Darlaston JET (Jobs Education and Training) project in Walsall provides a one stop shop centre for employment support, education advice and training. It is based on learning from another successful centre in Bloxwich. These are located in, and are meeting the needs of, people living in the most deprived areas of the borough. The centres provide advice on looking for jobs and help with CVs and interviews. They are responsive to need and are not constrained by the requirements of different funding streams or clients' qualifying criteria. Anyone living in the area can use the service regardless of whether they are in receipt of JSA, other benefits or not. Clients particularly appreciate the centres' ability to provide advice and support on a wide range of issues in a welcoming environment.

Raising Aspirations in Wolverhampton

The Creative Partnerships programme in Wolverhampton is helping to raise young people's aspirations related to work. This government funded initiative has been in place since 2002 and works with secondary schools in areas of deprivation to introduce and engage students in aspects of the world of work. Students from Deansfield School in Wolverhampton have been involved in a range of work based learning over this period. For example, a major urban regeneration development close to the school became a focus for activities; pupils acted as trainee sales advisors and designed textiles for the show homes. They also undertook consultation on behalf of the developer to establish community priorities for the development and were involved in naming it. Fifty pupils experienced a recruitment process run by the developer from which four were selected to attend a six week training course. They went on to gain part-time employment in the retail and service sectors. Deansfield has seen a significant improvement in educational attainment over a five year period. GCSE levels have risen from 19 per cent achieving five grades A to C grades to 63 per cent. There has also been a rise in applications to university. One pupil in 2002 successfully applied for higher education rising to 26 in 2007/08. Twenty six schools across the Black Country are now part of the Creative Partnerships programme.

- 94 Councils are having some success in addressing specific barriers to employment and training. In Birmingham a pilot scheme is extending the current eligibility criteria under which long term unemployed people may receive transitional support through the payment of Discretionary Housing Payments. This is designed to smooth the passage into work and is targeted specifically at people starting work in priority areas. In Coventry a childcare grant and support is available to parents from target groups during the time of transition from unemployment into training or employment. The Council also has a specific service providing support for individuals with criminal convictions.

- 95 Improvements in partnership working are resulting in more integrated services for workless people in priority communities in each council area. An outcome of the City Strategy and the LAAs is that councils and their partners, in particular JCP and the LSC, have improved partnership working by defining clearer roles and responsibilities and developing the Integrated Employment and Skills model. There is still some way to go to achieve a seamless service but the enhanced focus on the most disadvantaged communities in each council area has provided an improved framework within which to work and achieve common goals.
- 96 Joint working between councils at delivery level is providing improved outcomes though this is limited. Dudley and Sandwell Councils provide complementary services to maximise the benefits of construction training for target groups. Sandwell provides the apprenticeship training for both boroughs and Dudley's BEST (Building Essential Skills in construction Trades) training sites provide some apprentice level skills training for some Sandwell residents. There is a well established employment strategy group for Birmingham and Solihull which has been reviewed in line with the City Strategy and focuses on performance across the areas. However, councils do not routinely consider the possibilities for similar joint initiatives when developing and delivering worklessness projects.
- 97 City Region partners are also beginning to deliver on the commitment to work with providers of primary health care although this work is still developing and outcomes are limited to date. In Walsall the results of a data sharing pilot between the PCT and Walsall Community Housing are being used to inform the delivery of projects aimed at supporting people with mental health problems into training and employment.
- 98 Strategy documents clearly express the importance placed on linking local work to increase employment and training opportunities to sub regional and regional economic strategies, but progress is mixed. Service plans including those for Dudley Council indicate that providing employment and training opportunities for the least 'job ready' groups from regeneration activity is a priority. There are some well established arrangements to ensure this including Dudley Council's Future Skills project which has a track record of providing pathways from training into construction work for target groups. Councils are increasingly formalising the securing of jobs and training from local regeneration and construction work through Local Employment Partnerships (LEPs) although these are at varying stages of development. In some areas the slower than expected pace of physical regeneration activity with the impact of the recession has restricted progress.
- 99 Progress is being made towards the aim of ensuring that worklessness responses are employer led although councils and the business community recognise that this is not yet happening systematically. The 'Find it in Sandwell' website is successfully stimulating business to business selling and contracting at a local level and the business community are involved to varying degrees in LSPs and theme groups to help shape and deliver services. However, the work of Employment and Skills Boards across the sub region is at an early stage of development and has resulted in few outcomes to date.

How good is the service?

- 100** Historically, engagement with employers has been fragmented and not directly linked to the delivery of worklessness initiatives. This is beginning to change. All the councils have business support services and are increasingly attempting to align their work with the worklessness activities of council directorates and partners. The Employment Action Team in Birmingham is an example of work to establish a more proactive relationship between the Council's economic development and inward investment functions and its initiatives to maximise jobs for local people. Other councils are at varying stages of the implementation of similar initiatives.
- 101** There is scope for councils and their partners to make greater use of their role as employers to support worklessness objectives. There is a City Strategy target for public sector employers to set clear targets for recruiting from the most disadvantaged communities and some sustainable community strategies, such as in Birmingham and Walsall, identify the commitment to change recruitment practices to encourage greater diversity and offer opportunities for people from disadvantaged communities to move into the labour force. Coventry City Council is further forward on this and targets have been exceeded significantly but the approach is not yet Council wide. A number of the other councils are increasing their targets for recruiting apprentices and are developing work opportunities for people furthest from the job market but numbers are currently low relative to the size of the overall workforce.
- 102** As yet there is generally little alignment of corporate practices on human resources and recruitment with those on worklessness. Most councils do not routinely target advertising of 'entry level' council jobs at areas with high levels of worklessness or analyse the level of applications from those areas. In most cases they have not carried out work to establish how to increase the rate of applications from target groups and communities. Although budget pressures are having an impact on recruitment in councils, staff turnover is still occurring particularly in entry level jobs and therefore still provides an opportunity for councils to develop in this area.

Is the service delivering value for money?

- 103** The focus on external funding to deliver worklessness initiatives has meant that councils have been slow to consider the extent to which the full range of their resources are contributing to workless priorities. The need to construct bids for successive external funding streams to deliver worklessness objectives means that councils have expertise in creating robust, proactive bids and for ensuring delivery. However the expertise to do this is mainly located within regeneration directorates and with a changing funding environment efforts are often focused on generating continued or new funding. As a result, councils have not historically had a corporate focus to the delivery of worklessness initiatives or to establishing whether the capacity and resources of all directorates to contribute to the delivery of worklessness outcomes is being secured and delivered.
- 104** Information on comparative costs is not systematically collected within or across councils. This means that councils and their partners do not have a rounded picture of the relative value for money (vfm) provided by their worklessness interventions with which to shape current and future services.

- 105** The lack of consistent collection and analysis of cost information is in part due to the sometimes conflicting and frequently changing requirements of external funders. Although it is becoming increasingly common for funders to want an assessment of the costs and vfm expected from interventions there is little consistency in these requirements and there is a lack of clarity about expectations. Funders are not providing councils and their partners with comprehensive advice on defining vfm outcomes and setting targets.
- 106** Councils are making some progress in collecting information on vfm from individual projects. Examples include the following.
- An internal review in Birmingham concluded the Aston Pride project's interventions were 80 per cent cheaper and participants four times more likely to get a job than those from other co-financing initiatives.
 - Coventry City Council carried out a review into LEGI (Local Enterprise and Growth Initiative) funding comparing outcomes being achieved related to the level of investment being made. Changes are being made in response to the findings.
 - Dudley MBC has compared the cost to deliver LAA outputs with external mainstream funding costs per output to assess the value for money of this delivery.
 - In Walsall an average unit cost per person into work has been calculated using average costs of previous activities and guidance from Job Centre Plus.
- 107** This is providing councils and their partners with an improved suite of information to inform decision making. However its use in monitoring and managing performance is not yet embedded and councils do not routinely share data on vfm to enable comparison across the sub region. As a result it is not yet possible to compare the vfm delivered by different initiatives to help direct future sub regional decision making on the commissioning of projects.
- 108** Councils and their partners are attempting to ensure that services for workless people are aligned and not duplicated. Commissioning approaches are increasingly being used to plan and direct worklessness programmes and vfm information is being built into the management and monitoring of NESPs. The introduction of the Working Neighbourhoods Fund has helped to drive this development and councils and their partners have developed partnership arrangements for commissioning cycles and challenge is increasingly taking place on the vfm of worklessness projects. This approach is particularly well established in Walsall where the Target Action Plan process ensures that all key partners review current and emerging needs, assess the effectiveness of existing projects and commission projects to fill gaps in services for target groups.

How good is the service?

109 Councils use their powers to stimulate the creation of new jobs although progress in ensuring that target groups benefit is mixed. Councils make active use of Section 106 agreements to levy additional funds to tackle worklessness and to place requirements on developers around employment and training for local unemployed people. Though in the recession the opportunities to do this have decreased with fewer developments. A growing number of local employment and community benefit clauses are being inserted into council contracts. However target groups are not consistently gaining benefit from these initiatives. For example although most labour for the construction projects in North Solihull is being drawn from the local area, as defined by the Council, most do not come from within the North Solihull priority area. Most of the councils can demonstrate some effective work to target employment opportunities arising from new developments. Particular success includes work with Tesco in Aston, Birmingham and with Asda in Walsall to ensure that a high proportion of the new jobs created went to long term unemployed local residents. However this has not happened consistently and there have been other new developments where very few local people have secured employment. The effective approaches are not routinely shared and replicated at council or sub regional level and as a result disadvantaged groups are not consistently benefiting to the extent they could be.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 110** The councils have a track record of effectively delivering worklessness initiatives and meeting funding stream requirements but the intended impact on worklessness has not been achieved or sustained over time. The gap in worklessness has not narrowed significantly between the most disadvantaged communities and the council areas as a whole and the situation is worsening in the current recession.
- 111** Until the recession, unemployment was showing some improvement in the West Midlands but it is now rapidly increasing. Job seekers allowance claimants were reducing in the West Midlands with the rate of improvement exceeding the national average in several areas. Between March 07 and March 08 Sandwell achieved the highest rate of reduction (-18 per cent compared with the national average of -12 per cent) and Wolverhampton the lowest (-1.9 per cent). With the worsening economic conditions JSA claimant rates have increased greatly across all areas, most notably in Solihull where claimants increased by 100 per cent in the year to March 2009. Other areas such as Birmingham and Wolverhampton are seeing a slower increase.
- 112** The percentage change in the last three years (see table) shows that Birmingham has seen one of the smallest increases in JSA claimants, as a percentage of the total working age population but the number of claimants remains very high at over 47,000 (7.5 per cent of the population) while in Solihull the number has increased markedly, but remains significantly lower in absolute and percentage terms, at just over 5,000 or 4.2 per cent in March 2009.

Table 2 Increase in JSA claimants over the last three years as a percentage of the total working age population

Birmingham	Coventry	Dudley	Sandwell	Solihull	Walsall	Wolverhampton	W M
29.3%	34.1%	50.0%	40.0%	90.9%	50.0%	42.3%	60.0%

What are the prospects for improvement to the service?

- 113** The gap between the most disadvantaged communities and the council areas as a whole has not reduced. In the priority neighbourhoods, where worklessness is highest and council activity has been concentrated, the gap has not narrowed as intended when compared with area averages. In Birmingham for example worklessness rates in some priority wards decreased by up to 5.7 per cent but the gap between the five most disadvantaged wards and the City average increased from 12.45 per cent in 2004 to 13.5 per cent in 2008. In the absence of strong outcome measures to establish cause and effect it is difficult to determine how far prevailing economic conditions are responsible for the trends being seen.
- 114** The councils can demonstrate a track record in terms of delivery. In the main, the councils have a history of meeting agreed outputs and the requirements of funding streams related to the worklessness initiatives they undertake or commission. They can point to success stories that have made a real difference to the lives of vulnerable individuals. However, recent performance is variable. At a strategic level the recession is impacting on the councils' prospects of meeting 2008 to 2011 LAA targets which provide the main focus for local partnership activity related to worklessness. At sub regional level the City Strategy target for 2009 to decrease the number on working age benefits was 54 per cent achieved while targets to deliver level 2 and 3 skills were well exceeded. Despite this the draft MAA indicates that 2011 targets in the West Midlands Skills Action Plan are unlikely to be met as baseline skill levels are so low in the West Midlands as a whole. Though some output targets are being met or exceeded the impact being achieved is not proportionate to the scale of the problem. This, compounded by the current economic situation, means that the intended progress on worklessness in the West Midlands is not being seen.
- 115** The councils are taking action to improve value for money but this is at an early stage. Some councils are beginning to identify unit costs but information on comparative performance is limited making assessment of value for money difficult. Information on the needs of users is being better used to target services and the commissioning process is improving the value of outputs delivered. Procurement is increasingly being used to seek improved outcomes such as linking contracts or section 106 agreements to employment opportunities for local people. There are limited examples of learning from best practice but there have been a number of in-depth reviews undertaken such as in Coventry related to LEGL funding and an Overview and Scrutiny review in Birmingham. These have looked at understanding and improving outcomes achieved related to the level of investment being made. However, this remains an underdeveloped area.

How well does the service manage performance?

- 116** Plans are in place that are providing direction for the councils' own activities, securing better integration of partnership working related to worklessness and allowing improved responsiveness to need but there is scope for greater alignment and clarity from strategic through to operational level. There is no single strategy in place within each council that incorporates and consolidates all aspects of the councils' role against which performance can be managed. Performance is currently judged, in the main, against the outputs achieved by individual strands of activity or by overall performance against LAA targets. There is insufficient information on the outcomes being achieved. This is not allowing the councils to fully assess the impact they are having related to the size of the problem faced nor does it support the systematic replication of what works.
- 117** Strategic plans are in place but they are not providing a clear direction for what happens on the ground. Planning is taking place at several different levels; regional, sub regional, Black Country wide, LSP and council specific. The aspirations related to worklessness are broadly similar; to increase employment, decrease reliance on working age benefits and raise skill levels to meet employer needs. These aims are clearly influencing the work being undertaken but the range of plans have different spatial focus, priorities or targets therefore adding complexity. The higher level strategies identify the aspiration and potential for transformational change; working differently across boundaries, achieving economies of scale and avoiding duplication of effort. However, there are few examples of this in practice and it is not clear what added value is being achieved by working at so many different levels.
- 118** Plans specific to each council or LSP are providing more focus. The councils' work is more obviously influenced by LAA plans or the requirements of individual funding streams and is therefore locally focused with a shorter term view. LAA delivery plans are being improved to align and integrate work in partnership and bring greater clarity to how targets and needs will be met through the LSPs; for example the target action plans in Walsall and the cross cutting LAA delivery plans in Wolverhampton. Resources are being directed at identified gaps or changes made to avoid duplication with mainstream provision. Clear strategic alignment and clarity of purpose supports the achievement of value of longer term goals.

What are the prospects for improvement to the service?

- 119** The plans in place are providing direction for aspects of the councils' work but in the absence of a worklessness strategy specific to each council, the wider picture is being missed. Planning and performance management currently focuses on delivery of individual strands such as the LAA delivery plans, the City Strategy or separate funding streams. Within the limitations of current economic conditions, councils are contributing adequately to the delivery of the plans and performance is managed through the respective governance arrangements. However, it is difficult to get a consolidated picture of what councils are seeking to achieve and how far they are currently achieving it. In the absence of a dedicated worklessness strategy within each council the picture is fragmented and it is hard to establish how far councils are maximising their role and where their priorities lie. For example, it is difficult to determine how far councils are using their role as employers or procurers, how they are responding to the changing profile of the unemployed (as a consequence of the recession) or to what extent other council services, outside of regeneration, contribute to tackling worklessness. Plans which clearly define the council's role, strategic priorities and longer term objectives support performance management and provide clearer and corporate understanding of what is being achieved.
- 120** As yet the performance information that underpins delivery of the plans is not providing a comprehensive picture of what is being achieved. The main focus is on meeting targets which are, in the main, output based. This is not providing the councils with sufficient information to evaluate how effective they are in moving people closer to the job market. LAA data is based on national data and doesn't directly relate to the success or otherwise of the councils' worklessness initiatives or tell them how well they are reaching those at most need of assistance (though information related to target groups is developing). In addition, performance is monitored and reported related to different funding streams but often does not specify how far those helped were from the job market. Some of these output targets have been met or well exceeded but there has been limited challenge as to why the impact has not been seen on overall worklessness and why levels remain high in some areas where activity has been concentrated. Performance monitoring and reporting in this way does not allow the councils to judge the direct or cumulative impact they are having across their range of roles and activity.
- 121** There is insufficient information to establish outcomes. The lack of data sharing between partners has been a barrier to monitoring the progress made by individuals. Progress is monitored while contact with them is maintained for example by individual providers or as part of the City Strategy pathfinder pilot. However, because information is not being shared, clients are not tracked across providers or over time. This is limiting understanding of how well the needs of those with more complex problems or those that drop in and out of the system are being met. Robust and complete information is needed to establish the effectiveness of different interventions.

What are the prospects for improvement to the service?

- 122** Councils are developing improved outcome information but this is still at an early stage. In December 2008 Dudley Council began to use its own data to identify people who may benefit from its services. This is resulting in better targeting in priority neighbourhoods, but has not yet been used to track progress. Other councils are exploring a range of IT (Information Technology) based systems to monitor and track. Coventry City Council is developing a 'Social Return on Investment' model to quantify the social and financial benefits of progressing those with complex problems towards work. Some councils are maintaining contact with individuals once they have got jobs to provide support and to establish if the job is sustained for up to 26 weeks. However, this is currently dependant on the cooperation of the employer and the individual.
- 123** Evaluation is not systematic. Some useful information on the effectiveness of initiatives is held at an operational level but is not consistently captured to inform strategic decision making. At times there is reliance on the knowledge and expertise of those delivering the initiatives to identify what works. If funding continues to be placed into projects without establishing how far they are having the intended impact then innovation may be stifled. There are signs, however, that challenge is developing through the commissioning process with providers increasingly being asked to demonstrate the outcomes they are achieving and with which client group. Outcome based evidence allows what works to be identified so that it can be replicated more consistently.
- 124** Planning approaches are helping councils and their partners to respond to changing need. The Target Action Planning (TAP) process in Walsall involves key partners from the statutory and voluntary sectors in a comprehensive analysis of need across the Borough which is then compared to existing provision. Projects which fill the gaps and support delivery of shared priorities are then commissioned. Challenge takes place as part of this process to ensure that proposed actions are evidence based and targeted at those in most need. This approach is ensuring that funding streams and activities of partners are increasingly aligned and duplication is being avoided. The Worklessness Steering Group of the LSP regularly reviews progress on commissioned projects against targets and makes changes as necessary. In Sandwell, commissioning of Working Neighbourhood Funded projects is providing better information on the relative success and unit costs of different elements of the programme. Clients are being offered different initiatives to take advantage of the most successful elements. A partnership approach to performance management ensures that needs are addressed and priorities delivered in an efficient and effective way.

Does the service have the capacity to improve?

- 125** Councils are committed to tackling worklessness and partnership working is adding capacity on the ground which is improving links with local people and providing services that are appreciated by those receiving them. A MAA is at an advanced stage of development and is seeking to achieve transformational change in the way worklessness is tackled by partners in the City Region to secure greater impact and better use of resources. However, currently there is insufficient emphasis on working strategically across council boundaries, increasing value for money by achieving economies of scale or maximising potential such as the role of councils as employers.

What are the prospects for improvement to the service?

- 126** Partnership working is developing well at a local level but capacity is not being maximised at a strategic level. Though there is some way to go to integrate and align resources, capacity is improving delivery of services on the ground responding to local need and providing services that are appreciated by those receiving them. The City Strategy has provided a geographical focus to work in areas of deprivation and some improved infrastructure has resulted such as outreach workers and learning centres which have contributed to local engagement. This has complimented and supplemented established neighbourhood networks such as in Wolverhampton and Dudley which were already providing strong links into the community. Clear strategic alignment makes best use of available capacity.
- 127** Progress has also been made in clarifying roles and responsibilities. Protocols and memorandums of understanding have been agreed between councils, JCP, LSC and Business Link to define working relationships. An Integrated Employment and Skills model, developed through the City Strategy partnership, is being established in the West Midlands to achieve more client centred working with a clearer pathway between skill development, job opportunities and employer needs. The approach has yet to be fully embedded but clients have already started to have individualised jobs and skills action plans that identify development pathways, and to have an employment and skills coach to give personal support. This partnership approach is considered best practice and is to be rolled out nationally.
- 128** At a strategic level, there is commitment by Councils to work across boundaries, achieve economies of scales, avoid duplication of effort and take account of travel to work patterns. However, there are very few examples of where Councils are working together to achieve these goals.
- 129** Councils and their partners have recognised that transformational change is required if the intended impact on worklessness is to be achieved. The worklessness focused MAA seeks to build on the current practices of the City Strategy and the governance arrangements already in place for the City Region partnership to achieve a radical change in the way partners work together across the sub region.
- 130** Through the MAA the City Region seeks to secure the powers to:
- develop and agree an Adult Employment and Skills Strategy and Commissioning Plan for the City Region;
 - work in equal partnership with Government to formally influence all regional and national employment and skills funding and commissioning, aligning this with local spending and activity; and
 - introduce a single performance management system for all relevant local, regional and national agencies involved in the planning and delivery of employment and skills services.

What are the prospects for improvement to the service?

- 131** The emerging MAA intends to align its activities with economic development, regeneration and inward investment and with other strategies such as housing, transport and young people. However, work is still in progress to define the specific arrangements for how partners will work differently at a sub regional level to enhance capacity and improve worklessness outcomes. Councils have also yet to determine how the MAA will affect the way they work in their areas and how local plans will integrate with the MAA. Effective partnership working through the MAA is critical if areas are to respond to the challenges faced and deliver the required outcomes to make a difference.
- 132** Commitment to tackling worklessness is evident in all of the councils both from officers and Councillors but in some cases available capacity does not match the priority given to tackling worklessness. Capable officers are delivering what is expected of them in the time they have. However, those leading in this area often do so alongside other wide ranging responsibilities. Some lead officers do not have sufficient seniority to secure change across their organisation or in partnership. Cross council groups are being established by some councils to communicate the contribution other services could make. Leadership is evident from Councillors with the remit for regeneration but there is scope for more cross council working between portfolios to ensure it is seen as a council wide priority. Insufficient dedicated capacity and leadership means that change may not be secured and the potential of the council achieved.
- 133** Councils have begun to use procurement more to generate job opportunities and work placements for local people. Councils are increasingly using public sector capital projects such as the new library in Birmingham and Building Schools for the Future programmes to secure job opportunities for target groups. There are examples where councils are influencing third parties to develop initiatives for example Wolverhampton Homes is working with local building firms to develop apprenticeships and work placements linked to delivery of the decent homes programme.
- 134** However, councils and their partners are not achieving their full potential as employers. Councils are often the largest employers in their areas but human resource policy and workforce planning are not being used to the full in contributing to tackling worklessness. All the councils have apprenticeships or work placements within their organisations but numbers are relatively small compared to the overall size of the workforce or restricted to certain parts of the organisation such as grounds maintenance or social care. Some councils have signed up to skills pledges or LEPs promoted by the LSC and JCP to improve their performance. However, it is acknowledged that targets are relatively low and are already being exceeded by some such as Coventry City Council where the approach is more established and positive. Acting as an exemplar is part of the leadership role of councils.

What are the prospects for improvement to the service?

- 135** Action is being taken to strengthen engagement with employers but as yet their role is underdeveloped. Employment and Skills Boards have been established as part of the City Region framework but it is too early to determine the impact they have had. Some actions have been taken by individual councils to strengthen links. Birmingham City Council's new Employment Access Team is working with the business community to identify job opportunities, skills gaps and employer needs in order to inform recruitment and training services. Wolverhampton City Council has 'Business Champions'; a group of respected local business people, acting as an advisory group for new initiatives such as the proposed small business forum to support and engage the small business community. Coventry City Council are developing a 'single employer offer' to meet a range of needs. However, there is recognition that the connection between employer needs, job opportunities and skills development is not strong and involvement of the business community in decision making is not consistent.
- 136** The councils are developing the capacity of the voluntary sector but funding arrangements are still presenting challenges for smaller organisations. Coventry Recruitment Network supported by the Council has helped the voluntary sector to come together with providers from other sectors to discuss common issues. This has led to a third sector consortium approach to bidding for contracts. In Birmingham £1 million of WNF funding has been used to support organisations in the transition between NRF and WNF with more funding allocated over the next three years amounting to £6 million in total. In Sandwell, WNF commissioning has identified the relative strengths of individual organisations and is leading to more appropriate contracting arrangements based on their strengths. However, changes in funding provision and requirements and commissioning arrangements continue to represent a challenge for the voluntary sector, especially for smaller organisations.
- 137** External funding has provided significant resources for tackling worklessness in the West Midlands in recent years but managing the changes has been a challenge for councils. Those that meet the requirements appreciate the additional resources this has given them to address needs in their communities. However, the councils and their partners have found responding to the different timescales, requirements and constraints of some funding streams difficult. Securing funding takes resources and monitoring, in the main, has led to a focus on outputs not outcomes. At times changes in funding arrangements have led to a degree of disruption and delays in implementation as councils and their partners have taken time to put in place new governance frameworks and decide on what should be commissioned. In some areas initiatives such as the City Strategy and WNF funding have suffered from a slow start that has reduced the time available for successful implementation. Some councils like Solihull and Dudley do not qualify for some of the targeted funding streams and they have had to establish other ways of supporting the services they deliver such as securing funding from JCP and LSC. In addition, there is a challenge for councils and their partners in ensuring what is delivered compliments but does not duplicate other mainstream provision which can change with limited notice. Integration has yet to be fully and consistently achieved along with building on what works to ensure implementation is timely.

Appendix 1 - Birmingham City Council

Leadership and capacity

- 1 There is good leadership from senior officers and Councillors but the capacity dedicated to tackling worklessness in the Council does not match its level of priority. Officer leadership is apparent but there is a reliance on a small number of capable and committed staff. The Council was slow to respond to an internal review which recommended the appointment of an Assistant Director of Employment. The appointment has recently been made and the Council is creating a division to focus specifically on worklessness.
- 2 Councillor involvement in worklessness reflects its importance although opportunities to make the most of Councillors' interest in this area are not maximised. At cabinet level the portfolio holder for regeneration and the Deputy Leader play effective roles in championing the issue. Scrutiny has undertaken an in-depth and well evidenced review focused on worklessness with recommendations for improvement. However, links across portfolios are not clear and as a result the focus of discussion and decision making is on individual responses and not on the Council's strategic role.
- 3 The Council is taking a lead in developing partnership responses to worklessness. It is taking positive steps to promote a more focused and co-ordinated approach to partnership working. At a sub regional level it is active in the development of the MAA though the detail of what changes the Council will make as a result is yet to be determined. In the city the Council is developing the capacity of its constituency strategic partnerships to ensure that a local framework is in place to support the delivery of Working Neighbourhoods funding to ensure outcomes meet the needs of priority communities. However, there is still some way to go to bring all the partnerships to the same stage of development.
- 4 The Council is not consistently leading by example. It is not capitalising on its potential as the largest employer in the city to make a significant impact on worklessness among target groups. It is increasing the number of apprenticeships and workplace opportunities it offers but currently numbers are low and not in proportion to the size of the organisation. There is scope for the Council to more systematically use entry level or high turnover jobs as opportunities for those furthest from the job market to gain employment experience.

Integration

- 5 Partnership working is improving with a focus on disadvantaged communities. The Local Strategic Partnership's structure has been revised and an Employment Strategy Group set up to lead the delivery of the worklessness agenda. This, together with the introduction of a worklessness protocol between the Council, JCP and the LSC has meant that roles and responsibilities are clearer and the focus on disadvantaged communities is more explicit.
- 6 The approach to worklessness is not fully co-ordinated across the Council. Though there is a corporate worklessness strategy group, which has raised the profile of work to combat worklessness, there is no Council-wide strategy for worklessness. This has meant that not all directorates make an explicit and consistent contribution to the achievement of worklessness objectives. As a result whilst some innovative projects have been developed, including the discretionary housing payments pilot, not all areas have participated.

Responsiveness

- 7 The Council has a clear and consistent focus on the most deprived areas. It has an increasingly targeted approach based on improved and more detailed information on smaller areas (Super Output Areas) where worklessness rates are over 25 per cent. This provides clarity on the issues to be addressed for partners and service providers.
- 8 Improvements are being made following an internal review of the Council's approach to worklessness. The review established that despite a history of targeted interventions in the wards with the highest levels of worklessness the rates in these areas remained consistently above the city average. A detailed action plan is being implemented but it is too early to establish if outcomes have improved.
- 9 The Council and its partners have developed some effective and responsive approaches that are addressing specific needs. Forward4Work, (provider of training and support into employment for people with disabilities), recently won an award in the Able to Work category at the Coalition of Employers Awards and has also achieved an award for mainstreaming equality and diversity.
- 10 The Council is taking steps to replicate what works more consistently. Work on matching and preparing local people to jobs at a new Tesco store enabled 63 per cent of the workforce to be recruited from the local community. The Council is now taking steps to ensure that it replicates this approach more systematically across the City. The Employment Access Team has been set up to work alongside area based teams and planners to identify potential employment opportunities and be the link between employers and other services preparing target groups to be job ready.
- 11 Innovative responses to the impact of the recession are being developed. The Council is progressing a proposal for a 'Bank of Birmingham' to be the source of capital for viable local businesses, and individuals, to support the local economy.

- 12 Some worklessness targets have been exceeded but the gap between levels of worklessness in target areas and the rest of the city has not narrowed. The European Social Fund (ESF) Co-financing programme provided employment advice, guidance and other support to over 13,000 unemployed or economically inactive Birmingham residents, and directly enabled nearly 2,900 of these unemployed people to get a job. Measures leading to employment were above targets (111 per cent). However, overall delivery is not in proportion to the scale of the problem in Birmingham.

Establishing Outcomes

- 13 Performance management has been focused on delivering targets for individual programmes. As a result the Council has not been able to identify whether or how the full range of its services are contributing to worklessness objectives or to corporately ensure that improvements are made when necessary. There is not a systematic method of capturing the range of data available on the success of worklessness initiatives. A more systematic approach to performance management is being developed with the delivery of WNF.
- 14 Collection and use of information on value for money (vfm) is improving but is not yet consistent. Preparation of NESPs has produced an indicative band of unit costs based on previous work and this will be expanded and refined as the work continues. An internal review concluded that the Aston Pride interventions were 80 per cent cheaper and participants four times more likely to get a job than those from other co financing initiatives. However, this process has not been carried out for the full range of initiatives so the Council does not have a complete picture of the extent to which different types of intervention provide vfm.
- 15 The Council's vision for tackling worklessness aims to ensure that partners' procurement arrangements support its delivery. The new Sustainable Procurement Compact aims to ensure that partners' purchasing power supports the local economy in an environmentally and socially friendly way and the Sustainable Community Strategy notes that partners are changing recruitment procedures to encourage greater diversity and offer opportunities for people from disadvantaged groups to move into the labour force. However, implementation of this is at an early stage.

Appendix 2 – Coventry City Council

Leadership and Capacity

- 1 The Council has a capable, in house approach to tackling worklessness with teams well focussed on the main barriers to employment. It works primarily through its Community Employment and Skills Team, which includes an employment support service, a construction employment unit, and employer engagement services. Services are also provided in conjunction with partners such as health and probation, through a client support unit, and to encourage local enterprise growth through a business and investment team.
- 2 The Council does not have a corporate focus to the work that it is undertaking to tackle worklessness though it is making a difference in several areas. It has reached its target of 25 per cent of its procurement spend being through local SMEs. It has a Council LEP (Local Employer Partnership) and has significantly exceeded its target by getting 419 people from target groups into posts in the Council within 18 months.
- 3 However the approach taken is not consistent in all areas. Performance information available and the level of evaluation undertaken by the different teams delivering worklessness services varies. Businesses find that regeneration services are well attuned to their needs but other services such as planning less so. The organisation's understanding of the impact it is making could be enhanced by identifying the contributions which each service and the Council is making.

Integration

- 4 The Council is strengthening capacity of third sector organisations and developing links between providers. In supporting the development of a 'Recruitment Network' which brings together representatives of voluntary, public and private sector organisations, involved in reducing worklessness, communication has improved and learning shared. The Network has helped smaller voluntary organisations to come together to develop a consortium and be successful in obtaining further external funding.
- 5 The Council is delivering good outcomes for vulnerable groups. The Aspire programme has supported ten vulnerable people with learning and mental health issues through Council traineeships and eight of these have progressed into employment. The Making Progress partnership is tackling housing, financial and health needs of ex offenders and has achieved a rate of 30 per cent into sustained jobs with a participant's re-offending rate of 8 per cent compared with the control groups 30 per cent.

Responsiveness

- 6 The Council has an established mechanism for supporting redundant residents back into employment, including those from priority neighbourhoods. Its partnership response approach, with the LSC and JCP, to offer individualised support to those involved in major redundancies, was developed seven years ago and used for Massey Ferguson, Jaguar and the Royal Mail. In 2006, for example, after 2,150 redundancies at Peugeot Ryton (30 per cent of whom lived in the city's regeneration zone), fewer than 100 were still on JSA a year later. The approach continues to be used, most recently in response to the proposed Tesco warehouse move out of the city.
- 7 The Council links its inward investment and employment services effectively into its worklessness support. In 2008/09 the Council's employment team service identified nearly 1,500 vacancies of which over 1,000 were jobs created in businesses which received Council investment or business support. Its Local Jobs Team continues to follow the successful approach used for the Ricoh Arena development. This linked the local jobless to the Arena's job creation potential. 3,500 people registered interest and 1,377 were helped into work at the Arena, the majority were from local priority neighbourhoods and 39 per cent were from BME communities. Positive economic outcomes were achieved as the average household incomes in two adjacent wards increased by 2 and 4 per cent and in a third by nearly 12 per cent.
- 8 An integrated approach to meeting the needs of both recruiting employers and unemployed residents is being developed through the Council's 'employer offer' and 'single offer' (for unemployed residents). Council services have a challenging 2009/10 target of 2,000 vacancies to find and fill (600 by the hard to place). Recruitment development officers will provide an ongoing bespoke recruitment service for the employers and work with the Council's employment officers to prepare and short listed suitable applicants. These will come through Council programmes or its Recruitment Network of organisations, which will have ensured that each person receives needs identification and a referral to a 'single offer' of planned support to prepares them for employment.
- 9 The Council is starting work on re-aligning the City's provision to respond to the economic downturn. The review of its LEGI enterprise programme considers how the projects need to be re-shaped to respond to the recession. Coventry Partnership has led on the identification of issues. As an outcome, the Public Service Board is funding development of a joint Council and Chamber led Employment Placement Scheme. This is designed to place people hit by the recession such as graduates, executives, professionals and young people, into public sector work placements, with the target of achieving 45 permanent jobs from 100 paid placements.

Establishing outcomes

- 10 The Council's plans to deliver against its current LAA indicators are new and performance management arrangements are being strengthened. A new database to support them is being developed and will help the Council and its partners to challenge progress. The Council recognises that programmes need to be more outcome focussed in order to deliver against LAA targets, and its recent evaluation of the LEGI programme, now called Enterprising Coventry, is working towards this.

Appendix 2 – Coventry City Council

- 11 The Council is making progress in developing tracking mechanisms between the programmes which it is itself delivering. It is, for example, improving its ability to identify the impact of its activity on particular groups and to link this to the occupational areas in which they are finding employment. There is more to be done, such as on producing analysis reports which follow the progression of people from intervention through to sustainable employment.
- 12 However mechanisms to track the interventions and outcomes for participants as they cross between city-wide programmes and into employment are not as well developed. It is particularly difficult to gauge whether participants are successfully helped to remain in employment. The Council has piloted a social return on investment evaluation on two neighbourhood renewal projects. It found that for every £1 spent, the social value was between £9 and £14. The pilot identified that this approach will require better tracking systems than are currently in place.
- 13 The Council has taken action in areas of underperformance. From a high of 9.1 per cent in 2005/06 it reduced NEETS to 6.8 per cent in 2007/08, the third lowest rate of the seven West Midlands Metropolitan authorities. This has been achieved through identifying hot spots and targeting the two thirds of NEETS available to the labour market for employment placement opportunities, for example with the fire service and in construction.

Appendix 3 – Dudley Metropolitan Borough Council

Leadership and Capacity

- 1 Delivery on the ground in Dudley is good and valued by partners. The Council has capable and focussed teams working to tackle rooted worklessness in the Borough. Future Skills Dudley (FSD), the Adult Community Learning (ACL) service and the Community Renewal Team are well established with a continuity of approach developed over a number of years. They have clear and targeted plans which are effectively carried out and performance managed.
- 2 Dudley does not meet the criteria for some funding streams that are based on higher levels of deprivation. Despite this the Council has been very successful in obtaining external funding to support their work related to worklessness. FSD is 100 per cent externally funded and the ACL, 80 per cent. The Council acts principally as a contractor for some JCP and LSC programmes. It is, for example, a priority provider for Local Employer Partnerships. It has received positive Ofsted reports for its work and customer satisfaction is high.
- 3 At a strategic level tackling worklessness is a priority for the Council and its partners and is reflected in the Sustainable Community Strategy and the LAA 2008/11. Partnership arrangements are being reviewed to strengthen performance management. The Economic Development Regeneration Partnership (EDRP), sub group of the Dudley Community Partnership, has recently been re-formed. It intends to place greater emphasis on evaluation and challenge to establish the impact that interventions are having on worklessness across the Borough.
- 4 Within the Council leadership arrangements have not given tackling worklessness sufficient prominence but this is being addressed. A year long vacancy at Assistant Director level in Economic Regeneration and Transportation has been a factor. This post has recently been filled. The Council's approach to influencing and co-ordinating the response to worklessness across services has been inconsistent. The Director for the Urban Environment has recently become the Council's 'Worklessness Champion' and seeks to improve this.

Integration

- 5 Council services are making a contribution to tackling worklessness but the approach is not coordinated. The planning service routinely uses Section 106 agreements to secure job opportunities for local people and the Council has recently signed its own Local Employer Partnership (LEP). A new corporate Human Resources task group is exploring how recruitment practices can better support this agenda and a pilot is in place to offer all applicants for level four posts support in completing application forms and CVs. In addition, FSD and ACL actively encourage directorates to provide work placements. However, the Council does not have a worklessness strategy for the organisation which pulls together the work being carried out and clarifies what it is seeking to achieve. This is resulting in corporate knowledge being limited in some areas such as awareness of the number of apprenticeships and work placements currently in place in the organisation.
- 6 There are some established apprenticeships and work placement opportunities in the Council. For example, 40 to 50 administrative apprenticeships have been offered annually for the past seven years and six to 12 building apprenticeships a year over the past fifteen years. The Groundforce Parks initiative has about 100 trainees per year of which approximately 30 per cent move into jobs, mostly in horticulture. In some services initiatives are more recent, as in library services where there has been five library apprenticeships in the past two years. However, there is not yet a centrally planned approach. The level of activity is being determined at directorate level.
- 7 The Council is making good links between skills and employment through construction. Developments are identified at the planning stage along with the potential for Section 106 agreements and links are then made with training being delivered. Through the well established Building Essential Skills in Construction Trades (BEST) Project, supported by AWM, 690 people were assisted into employment in 2007/08. Further opportunities for employment and skills development related to the physical regeneration of the Borough are to be developed through the new urban regeneration company focusing on town centre development.
- 8 The Council has some practical and effective cross boundary working with Sandwell Borough Council. For example under the Construction Employment Alliance, trade skills training is delivered by the construction site which is best able to deliver, which can be in either borough. Trainees from Dudley and Sandwell travel across boundary for their training as appropriate.

Responsiveness

- 9 The Council is increasingly using information on the needs of users to more closely target its services. The development of NESP's has provided a better understanding of the profile of each area and to identify clusters of priority groups. As a result it has, for example, re-located provision for lone parents and put in place IT support for unemployed young men in a neighbourhood where there was a new concentration in the population.

- 10 The Council is the first in the City Region to use information from other services it delivers to improve targeting. Housing Benefits information has been used, under strict criteria, to identify residents who may qualify and benefit from worklessness services. The Council has developed this approach to overcome some of the data sharing issues between partners. Other Councils in the City Region are now learning from Dudley's experience. The data is not yet being used to track the progress of individuals, though the potential for this is being explored.
- 11 The Council has identified that the profile of its unemployed residents is changing in the Borough but its response to this has yet to be determined. There are growing numbers of workless in Dudley's more affluent communities. Actions by partners in response to the recession have so far focussed on provision of information and sign posting for those facing redundancy. The Council is developing plans for an employment and skills information centre in Dudley town centre as part of an ERDF funding bid. However, whether service provision will change to address unmet need has yet to be determined

Establishing outcomes

- 12 Customer views and satisfaction are being used well to improve activities such as pre employment training. However, less is known about successful customer pathways. There is scope for more evaluation of the progress of long term or repeat clients through interventions to establish which are most successful at helping people to progress towards the workplace. This is important as FSD and ACL often work with clients for several years.
- 13 The Council is effective in meeting the needs of some priority groups and positive outcomes are evident for a number of people with complex needs. For example, in the first year, the learning disability client support officer, based within the Directorate of Adult Community and Housing Services (DACHS), has successfully exceeded the target set by getting fifteen people into supported employment. A similar approach is being taken with clients with mental health problems.
- 14 However, there are some gaps in available performance information. Data on needs, interventions and outcomes for priority neighbourhoods and groups is not brought together in such a way that it is clear what impact is being made. Without this the Council and its partners are not able to establish to what extent they are meeting the needs of the most vulnerable in the community.
- 15 Dudley Council is closely involved with the Prince's Trust Business Programme which is contributing to tackling worklessness. The programme supported 42 new business start-ups in the Borough against a target of 40 during 2007/08. Of the new business starts 27 per cent were by women, 18 per cent by ex-offenders, 9 per cent by disabled residents and 9 per cent by people from ethnic minority groups. Youth businesses in Dudley are achieving higher survival rates than the average for Prince's Trust projects across the West Midlands (58 per cent remain in place after three years compared with 54 per cent). A total of 38 unemployed young people participated in the Prince's Trust Team Programme in 2007/08 which aims to engage young people aged 16 to 24 and assist them to access training, jobs and education. The Council provides funding for a full time employee to work within the Trust. This investment is contributing to positive opportunities for young people in Dudley.

Appendix 4 – Sandwell Metropolitan Borough Council

Leadership and Capacity

- 1 Worklessness is a long standing high priority for the Council and its partners. The Council has recognised the importance of the issue and created a new portfolio for economic regeneration and skills two years ago. In addition, it has recently run a workshop for cabinet members to raise awareness of how worklessness is being tackled and the local effects of the recession. Partnership work to develop and deliver responses has been strengthened through the revised LSP SERP (Skills and Economic Regeneration Partnership) sub group which now has a clearer role. A commissioning framework for WNF aims to encourage and support an 'end to end' journey into work for clients. Worklessness plans are based on a good understanding of sub regional issues and the working of the local economy across the sub region. There is a clear understanding that half the jobs in Sandwell are occupied by people who do not live in Sandwell and half of the employed residents work outside the borough.
- 2 The Council is clear about the importance of raising aspirations and expectations, but this isn't yet captured explicitly in strategic plans. For example, there is a lack of clarity about the focus on, and importance of, self employment and social enterprise. There is also recognition within the Council that the scale of its response to worklessness is not yet in line with need. The different strategies are not all drawn together and what the Council and its partners are trying to achieve is not clearly documented.
- 3 The Council works well in partnership to link local people to job opportunities. LEP employment mentors give Sandwell residents access to often high profile companies looking to recruit in Sandwell, providing relevant training for a specific vacancy. To date, 102 residents unemployed for over 12 months were assisted and 43 have been successfully placed into work.
- 4 The Council is using its purchasing power for the benefit of the people of Sandwell. One member of staff works solely on ensuring that community benefit clauses are effectively used in all appropriate Council contracts, building on work with housing and the leisure trust. It also encourages a 'buy local' approach throughout the borough through the 'Find it in Sandwell' website. This promotes the benefits for businesses of sourcing goods and services locally and also contains information on local employment opportunities and business support services. Other Councils are now looking to join or replicate this approach.

Integration

- 5 The Council is successfully integrating some of its services to address worklessness. For example it is using its 18 children's centres as paths into employment for local people. Several users of the Children's Centres have progressed to become volunteers. For some this has then led to employment. This pathway is part of the ethos of the Children's Centres. JCP staff are working within three of these Children's Centres, alongside Joblink staff, as part of a national pilot. Strategic managers are not always aware of the extent and success of programmes of work to address worklessness; for example the numbers being supported into employment through the Children's Centres. This represents a weakness in the Council's capacity to improve these services.
- 6 There are well established links and shared vision with health partners. Routeways to NHS Careers began in May 2008 and has now been extended to run until May 2009. This targets training and employment opportunities at disadvantaged groups. It has assisted the NHS in delivering NHS pre-employment training to 39 local people. Out of these, 15 have been recruited into Health Trainer jobs, five have got other NHS jobs and five have moved into other jobs outside the NHS.
- 7 The Council has replicated some successful interventions. Joblink gets around 1,200 people annually into jobs. This was started in the east of the Borough and now has satellites in other neighbourhoods. There is also a Netbus mobile facility which goes into the community providing general information on skills and employment opportunities.

Responsiveness

- 8 The Council has recognised that it has not yet had a significant impact on the problem of worklessness. In particular, there has been insufficient focus on developing and sustaining enterprise within the borough. In response, the regeneration and skills division has been reorganised to differentiate between economic development and employment and skills, to address gaps in linking effectively with businesses.
- 9 The Council is responding to the recession, though this is at a relatively early stage. Short term and medium to long term action plans have been developed and action plans agreed as part of the SERP thematic business plan. This prioritises a focus on the long term unemployed and business retention.
- 10 Partners use the results of learning from previous interventions to inform future provision. The LSP commissioned an external evaluation of skills and worklessness initiatives which informed the development of the floor target action plans, the LAA and future decisions about investment in the Borough.

Appendix 4 – Sandwell Metropolitan Borough Council

- 11 However the Council is not using the range of information and data that it and its partners collect to inform strategic decision making. For example, Council-wide intelligence is not always collected and used to focus resources on worklessness. There is increasing demand from the public for housing benefits advice, but this is not being analysed to inform the Council's approach to the current recession. The Council does use information on need to fill gaps in service provision for workless residents. The recognition of local need led to five additional NESPs being created, which has focused local delivery. Joblink is a long established and well received intervention, although the publicity for this is inconsistent. As a result, people who could benefit may not be aware of it. Although there are some good examples of individual interventions, the customer experience is not as seamless as the Council intends.

Establishing outcomes

- 12 Sandwell has a track record of delivering skills and worklessness initiatives that have led to positive outcomes for priority groups. In the first year of the LAA for 2007 to 2010, 268 BME residents gained employment against a target of 252, and 103 residents aged over 50 gained employment against a target of 98. Performance against the current LAA stretched targets for placing and sustaining BME and 50 plus clients into work were more than 30 per cent above target for the first two quarters of 2008/09.
- 13 Sandwell evaluates and learns from the evaluation of worklessness initiatives although this is not yet resulting in consistent improvements in overall worklessness targets. Although the range of individual initiatives are monitored and managed, there is no view on whether these responses, taken as a whole, are having the desired overall impact on outcomes. During 2006 and 2007 four studies by external consultants were carried out.
- 14 Performance management arrangements are variable. Information on WNF projects is very good with unit costs of different elements of service identified. Local groups are involved in the monitoring and delivery of worklessness initiatives. The groups review the NESPs against local intelligence on an ongoing basis which is particularly useful in ensuring that changing local circumstances which may affect the NESP are captured. However, performance data against NESPs does not provide enough detailed information to show how well aims are being achieved in individual areas and among target groups.
- 15 Arrangements for tracking individual clients through worklessness interventions are not fully developed. The SERP employment sub group regularly discuss the problems of data sharing, including what specific information can be shared and the creation of common databases. These issues have yet to be resolved. As a result, tracking individuals through different interventions is difficult.
- 16 Work with local employers has begun to lead to improved outcomes for some target groups. Local Employment Partnerships (LEPs) have been operating within the borough for approximately six months. Businesses worked with over this period include British Gas, Trophy Foods, Automobile Association, JB Foods and Kelvedon Care Home. The programme has worked with 102 disadvantaged residents who have been claiming out of work benefits for more than 12 months. It has successfully placed 43 of these into employment.

- 17 Future Skills Sandwell has been developed into a successful training project for apprenticeships in construction trades and business administration. It handles the transition from school to training by allowing pupils to attend for a day or half a day a week.

Appendix 5 – Solihull Metropolitan Borough Council

Leadership and capacity

- 1 Solihull has long recognised the importance of partnership working to address worklessness and addressing worklessness is a shared priority for the Council and its partners. An Access to Employment Group (AEG) was established in 2004, led by the Council. There is an acknowledgement by partners that the AEG has been well led by the Council, but the Council and its partners have recognised the need to improve shared performance management arrangements. The intended impact of partners work, or which specific local communities and groups are to be targeted, has yet to be clearly defined.
- 2 The Economic Development Strategy provides a framework for partners from all sectors; public, private, voluntary and community; to respond to the economic challenges facing Solihull. It notes that key challenges include the unequal spread of economic opportunity in Solihull, in particular the major wealth differential between the affluent south and the north of the Borough where many neighbourhoods are within the 10 per cent most deprived nationally and over a quarter of the working age population claims a workless benefit. To address this, the Council and its partners have developed an innovative 15 year ongoing regeneration programme for North Solihull. However, as Solihull is an affluent borough overall, it has not been able to secure Working Neighbourhoods Funding.
- 3 The Council is not consistently leading by example. It has only recently signed up to a LEP. Local employment was not specified in early work on North Solihull regeneration. Arrangements within Human Resources do not support achievement of the Council's worklessness objectives; for example the requirement for job applicants to have a minimum set of GCSEs precludes many workless local people from applying for Council jobs. However, much of the process and activity in this area is currently being amended or refocused. The Prosperous Communities Strategic Group has recently been created under the Solihull Partnership and the Community and Economic Regeneration division was restructured in February 2009 to provide a better direction to addressing worklessness.

Integration

- 4 There is strong senior commitment to sub regional approaches. A dedicated employment strategy group for Birmingham and Solihull was set up in 2001, and has been reviewed in line with the City Strategy. The Council is also involved in the City Strategy regional group and the regional group developing the MAA for worklessness.

- 5 There are acknowledged gaps in ward based data on worklessness, particularly relating to harder to reach communities. The development of the Solihull Observatory should provide additional capacity to improve understanding of local need but at present responses to worklessness are not based on a complete understanding of the needs and barriers to employment in local communities.
- 6 There is no clear systematic approach to evaluating current activity around worklessness to inform future provision. Apart from a few examples, such as the Solihull Community Housing pathways model, the Council does not have a track record of replicating approaches that have worked. Also there is no consistent approach to changing things that aren't producing the intended outcomes, though the Council was able to demonstrate their intervention in one local contract which was failing to hit its targets.
- 7 Although the AEG has been effective as a forum for providers to meet and discuss approaches, it has not been working well as a method for managing performance. The recent introduction of the Learning Employment and Skills Group is intended to address this.

Responsiveness

- 8 The Council and its partners are generally responding well to the recession. A credit crunch action plan has been developed in recognition of a number of factors including high-level of exposure in the local economy to sectors which are particularly vulnerable to the recession, such as manufacturing and construction, business and financial services, and retail, distribution and hospitality. One study (Oxford Economics) has identified Solihull as having the most vulnerable local economy in the region. The Council is using a downturn scorecard to develop additional useful information to help refine its understanding of local need.
- 9 Partners have had some success in providing routes into employment for local people. The Pathways to Employment and Training programme has a track record of exceeding its targets for helping local people into employment. It is doing this through its programme to deliver construction training and support, aligned with employment opportunities, arising from the work to achieve the Decent Homes Standard. However the replication of this approach in the most deprived area is not yet fully effective. Although the majority of labour for the construction projects in North Solihull is being drawn from the local area, as defined by the Council, most do not come from within the North Solihull priority area.
- 10 Efforts to tackle worklessness in Solihull have not been having an impact on overall figures. Prior to the recession, dependence on working age benefits in Solihull had not changed significantly between 2005 and 2008, although it had fallen both nationally and regionally. Some targets have been exceeded, but overall delivery has not been proportionate to the scale of the problem. Also, the structures in place for ensuring local employment are disparate and not consistently effective; for example local employment clauses were not included in initial contracts for the North Solihull regeneration.

Appendix 5 – Solihull Metropolitan Borough Council

- 11 Putting responses in place for some identified needs has been slow. For example, a job club in North Solihull is only just being set up and the skills champions' role is not yet established. The Council has recognised that their employment advertising does not reach people in the north of the borough. A project to review recruitment practices is in progress.
- 12 The Council has good contacts with local businesses and there is a good understanding of local business need within the partnership. This directly informs service shaping and delivery. The credit crunch action plan includes a commitment from the Council to review opportunities to reduce the burden of local taxes on residents and businesses. It includes a commitment to continue to offer Small Businesses Rate relief where appropriate and flexible payment terms where possible. Work to respond to these emerging needs, such as supporting businesses through payments within 10 days, are in the early stages of implementation.
- 13 The Council is improving its capacity to deliver its worklessness objectives. In 2007 the Employability Team was refocused to provide clarity to individual team members in terms of their areas of responsibility and to reflect changes in tackling worklessness. The team now has a clear action plan to follow with roles and responsibilities identified and transferred into individual plans that are monitored monthly. Performance is reviewed bi-annually. As previously noted, there has not been a formal method of working together to link the needs of businesses to workless people. However, an ERDF bid is being submitted to address this.

Establishing outcomes

- 14 Although the Council's aspiration is to narrow the gap, performance management approaches do not measure this. The AEG annual report emphasises the importance of closing the gap in employment rates, but the report does not indicate whether the gap has narrowed. Performance management of external deliverers is effective but backward looking, as it measures performance against targets rather than trajectory towards them.
- 15 However, there is evidence that some targets are being achieved. There has been a reduction in JSA/Lone Parent and Incapacity Benefit Claimants of 492 claimants (up until November 2008) against a target for 2007/08 of 368. Also, the number of people assisted into work through the Workwise scheme in 2007/08 was 403 against a target of 225.
- 16 Performance management of worklessness initiatives is not always effective. One key contract has not been performing well. This aims to support 150 workless residents in disadvantaged groups into sustained employment of at least 16 hours for 13 consecutive weeks or more. The project runs from October 2007 to March 2010. By March 2008, no residents from these target groups had been supported into employment, against a target of 15. By March 2009, 60 residents had been supported into employment, against a revised target of 90.

- 17 Achievement of vfm from worklessness initiatives is underdeveloped. Unit costs for worklessness interventions across Solihull are not readily available. This information is key to gauging effectiveness. The Council does aim to ensure that its procurement processes deliver value for money. There is some developing information on vfm provided by agencies commissioned to deliver worklessness initiatives. The Council has calculated the unit cost per job against its reward target for residents gaining sustained employment, and this compares well with typical costs per job for New Deal Programmes and for European Social Fund programmes. However, this contract is not hitting the agreed outcome targets, so value for money is questionable.

Appendix 6 – Walsall Metropolitan Borough Council

Leadership and Capacity

- 18 There is good leadership and support from senior management within the Council and partners. There has been recent improvements in participation in sub regional partnership working by the Council.
- 19 The LSP focuses its activity on the economic agenda through PoWER (Partnership for Walsall Enterprise and Regeneration). PoWER recognised the need to prioritise worklessness and set up the Worklessness Steering Group (WSG), made up of all key partners working on the worklessness agenda in Walsall.
- 20 The Council has good knowledge of local issues and robust arrangements for forecasting levels of worklessness. This is allied to strong capacity within the Council and the partnership. However, there is a lack of detail in some areas, such as needing to better understand worklessness issues within BME groups.
- 21 Officers and partners involved in the worklessness agenda clearly understand worklessness aims, priorities and actions. However, these are not expressed in one document which would enable staff across the Council and other partners to understand the worklessness agenda and the contributions they could make.

Integration

- 22 There are good links between the Council's approaches to worklessness and regeneration. The Prospectus for Growth sets out a clear plan for the regeneration of the central area of the Borough, which will create over 5,500 jobs and 1,500 new homes, aiming to meet the future needs of local people. This is already delivering new employment opportunities.
- 23 The Council's employment team works closely with business and has well developed local information. Businesses appreciate the range of support provided by the Council including advice on relocation and access to external funding. The development of these positive relationships helps ensure that the Council can tailor its approaches to worklessness to the needs of local companies.
- 24 The TAP (Target Action Plan) approach helps bind partners together and develop genuine joint approaches. The TAP for worklessness is developed and monitored by the Worklessness Steering Group. Partner organisations project manage individual elements of the overall programme of work.

- 25 While there is generally good integration within the Council there are gaps in information about the Council's workforce. For example, the employment status of job applicants is not recorded. Although information about actual employees is used to target under represented wards the Council is unable to assess if it is attracting applications from target communities.

Responsiveness

- 26 The Council and its partners have reacted positively to the economic downturn. A redundancy support steering group has been established. This has assessed the range of current provision available and developed a menu of services to employees in companies that are making redundancies including CV skills, benefits advice and job search facilities. Resource centres have been set up at sites of companies making a large number of staff redundant. The group identified that some businesses were making significant redundancies but not contacting them so redundancy support events were held for employees who felt they were at risk or were already redundant. In addition, the Council devoted the latest issue of its quarterly newsletter, Walsall Pride, to dealing with the recession, with advice and contacts for local people and businesses.
- 27 Initiatives to tackle worklessness are based on a robust understanding of local need. The Walsall TAP process involved sending out a questionnaire to every organisation that carried out activity related to addressing worklessness, in order to identify the level of support available to workless residents. The information was also used to update the NESPs which have now been produced for each ward in the Borough. The process helped to highlight any gaps in service provision and to shape how WNF is allocated. In particular, the process has highlighted the key areas where there was low or no provision available and initiatives are being commissioned to fill the gaps.
- 28 Disadvantaged groups have been helped to secure newly created jobs. The partnership worked with ASDA to ensure local people had the best chance of employment in their new store. The retail academy group has helped 85 local people into jobs at the new ASDA store in Walsall through a combination of pre-interview training and mechanisms to assist people to attend interviews and jobs. This has been replicated for other developments.
- 29 Interventions are being based on what is proven to work. Darlaston JET (Jobs, Education and Training), a one stop shop for employment in one of the most deprived areas of the district, was based on evidence of what worked in Bloxwich. The centres have been set up in deprived areas and aim to meet the needs of all of its clients, offering meeting facilities and bringing in specialists from various services. There is very high user satisfaction with the service from users. The partnership has a record of withdrawing from interventions which are not felt to provide value for money. For example the Successful Applications project was withdrawn when a similar service became available through national provision. The Routerider scheme was cancelled and re-tendered because it was not delivering against assessed needs.

Establishing outcomes

- 30** Historic performance on reducing the level of worklessness has been worse than the national trend. Performance on reducing worklessness in some target areas has worsened. The Sustainable Urban Development North Black Country Package Plan notes that the claimant count rate has remained approximately 7 to 8 percentage points higher in the Package area. Notably, the gap had widened from 7.1 percentage points in 2005 to 7.9 in 2007. Although the total number of JSA claimants as a proportion of the total working age population fell quicker in Walsall than it did in England or the West Midlands in the period from mid 2007 to mid 2008, there has been a high rate of increase since the start of the recession.
- 31** Some worklessness targets have been exceeded. The self employment programme has resulted in 18 people going into employment or self-employment against a target of 10. The LAA skills levels targets were also surpassed.
- 32** It is not clear whether delivery is proportionate to the problem. Although there is information on the success of some of the individual initiatives, this is not being brought together to review overall impact. The Council cannot tell whether individual and overall interventions are having the desired effect on target communities.
- 33** The Council has a good understanding of its direct spend with local companies, and is working with local partners to encourage local spending. The Council uses an external agency to analyse its spend in Walsall, the Black Country and the West Midlands region. For 2007/08, 23 per cent of Council procurement was with Walsall based business, 34 per cent in the Black Country and 59 per cent in the West Midlands region. However, this does not include any local input into contracts the Council has with national companies.

Appendix 7 – Wolverhampton City Council

Leadership and capacity

- 1 A long term economic vision for Wolverhampton is being formed based on a good understanding of local need. An economic assessment was completed in 2008 and the economic strategy for the city has since been revised. Partners have a clear understanding of the issues facing the City. Action planning to deliver the strategy is in development though immediate actions, primarily to support local businesses, are being taken in response to the recession. There is scope to strengthen the link between higher level strategic planning through to delivery on the ground.
- 2 The Council and its partners are developing a co-ordinated partnership approach to address worklessness but some elements are new and not yet embedded. The Learning and Economic partnerships are being brought closer through a performance and monitoring sub group. A Skills and Employment working group has been established to deliver the City's Employment, Skills and Enterprise Plan which is in the final stages of preparation. The Plan is designed to better link activities to develop skills with employer needs and job opportunities. The new LAA delivery plans are cross cutting and more outcome focussed and to support their implementation an evidence based commissioning cycle is being developed. Through the 'Flight of the Flamingos' programme managers from its partner organisations have been brought together to share experience and ideas for tackling worklessness and the ideas passed to the Economic Partnership to take forward.

Integration

- 3 Though activities are not yet fully integrated partners have a well established approach to delivering in their lead areas. For example, the Council's regeneration focus lies in meeting the economic aspirations for the city through major physical regeneration schemes and is currently developing opportunities presented through the Building Schools for the Future programme. The Adult Education Service leads on skills development and manages the City's fifteen well established local learning partnerships which in 2007 widened their remit to encompass the employment and skills agenda of the City Strategy's Neighbourhood Employment and Skills Boards (NESBs). The Council and the college jointly fund learning broker posts.
- 4 The Council lacks a cross Council mechanism to bring its own activities together and ensure it has a clear understanding of what it is achieving in tackling worklessness and that it is maximising its potential. It does not have a Council- wide worklessness strategy to help it to do this. This means that there is a lack of corporate information on what is taking place across the Council such as the number of apprenticeships and work placements currently in place.

Appendix 7 – Wolverhampton City Council

- 5 The Council has been slow to develop its role as an employer but it has supported and encouraged other public sector partners to make their contribution. The Council recognises that its human resources policies have not supported its objectives and a review is being undertaken. The Council has committed to the LSC skills pledge but has yet to set targets for improvement. The Council has, however, supported Wolverhampton Homes to develop an apprenticeship and work placement scheme which is linked to the delivery of the Decent Homes programme. So far there are approximately 30 apprenticeships in the scheme but there are firm plans in place to increase this over the life of the programme.

Responsiveness

- 6 Plans are in place for substantial regeneration projects in the city but progress has been slowed or put on hold due to the recession. The Council had advanced plans for a number of large projects but some have been delayed until economic conditions improve. The Council is increasingly linking its regeneration projects to delivering employment opportunities for its priority groups in disadvantaged communities. The schemes were anticipated to bring significant employment opportunities to the City so the reduction has significantly reduced projected job opportunities. However, the Council is continuing to progress projects where it can such as through Building Schools for the Future (BSF) and the Interchange project which benefit from public sector finance.
- 7 The Council is working to improve the links between local people and the fewer job opportunities available. It is developing plans for a one stop shop enterprise agency. A BSF training liaison group has been established and the successful BSF bidder will be required to deliver targeted recruitment and training opportunities. Contractors for major developments are encouraged to provide construction training and interview opportunities for target groups coordinated through the Local Jobs for Local People team. The Summer Row retail project has an employment sub group in place ready for when work on it begins. Recent work with investors such as Travel Lodge and Primark have resulted in jobs opportunities.
- 8 The Council knows that the lack of higher skills in the city is not meeting the needs of existing or prospective employers. The 2009 Enterprise and Innovation work plan includes a focus on encouraging business start up and of increasing the proportion of the population qualified to NVQ level 4 and above. The Creative Partnerships initiative taking place in schools in areas of deprivation is starting to see increased attainment with increased progression to university. Opportunities for graduates to start City based businesses at the Science Park have had a good take up.
- 9 Overall though it is recognised that links with and support for local businesses is under developed. The Council has a Business Champion Group of local business people that is informing its thinking in this area. Actions have been developed such as a 'red carpet' approach to smooth the way for new businesses in the city. In addition, there have been improvements to planning services for businesses and a small business forum is planned.

- 10 The Council does not have full information to inform its response to the recession. Partners are seeing a change in the pattern of worklessness into more affluent areas but as yet the Council has not identified the changes in profile. It has worked with partners to run some advice based events but no significant changes in service provision have yet been made or discussed.

Establishing outcomes

- 11 The Council does not have an embedded approach to performance management which brings together information from the various initiatives taking place in the city to tackle worklessness. For example, the performance management framework for locality working (which is to incorporate unemployment and skill levels and impact at a neighbourhood level) is newly developed and starting to be put into place. Without this the Council and its partners are unable to fully understand the progress being made through the Wolverhampton 'Neighbourhoods that Work' LAA delivery plan to meet its targets and those in its supporting plans.
- 12 The Council has reduced the level of NEETS. In November 2006 the rate was 10.7 per cent but the most recent figures indicate it is at 8.1 per cent, the biggest reduction in the City Region. Improvement was triggered by a review by Councillors that found that strategic co-ordination was needed, and an action plan was developed.
- 13 Sustainable job outcomes have been achieved in priority wards. Neighbourhood learning partnership provision exceeded 2008/09 targets with 65 per cent achieving their qualification (10 per cent above target), and 69 per cent on pre employment or vocational training courses progressing into employment (12 per cent above target).
- 14 The Council is addressing the needs of vulnerable groups. Its Access to Business project is the only tailored service in Wolverhampton for people with health issues and disabilities. It is highly regarded by its clients and in 2007/08 exceeded its targets of helping 40 people into self employment, and of offering support to 40 people with head or stroke injuries, 35 per cent of whom progressed into employment.
- 15 Arrangements to evaluate the value for money of initiatives are under developed. Some costs have been established but this has not been evaluated fully or progressed. The College's neighbourhood renewal worklessness and skills projects were found to have met their targets at the respective costs of £750 a job and £1,000 for a level 2 qualification. These have not been compared to establish VFM. Challenge of VFM is beginning to take place through commissioning when cost and outcomes achieved appear unsatisfactory.

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