

## CABINET ITEM COVERING SHEET PROFORMA

### **AGENDA ITEM**

### **REPORT TO CABINET**

**20 DECEMBER 2007**

### **REPORT OF THE REGENERATION AND TRANSPORT SELECT COMMITTEE**

## **CABINET DECISION**

### **Regeneration and Transport – Lead Cabinet Member – Councillor Cook**

#### **SCRUTINY REVIEW OF EMPLOYABILITY**

1. Summary

The attached report sets out the findings of the Regeneration and Transport Select Committee's scrutiny review of employability. The report examines measures to improve the overall employment rate in the Borough, as well as measures to assist specific groups such as those living in Stockton's wards with the worst labour market position, those claiming key government benefits and those considered the 'hardest to help'. It also examines funding post-March 2008, when a large proportion of employability related funding ends.

2. Recommendations

The Committee recommend:

1. The Council write to Frank Cook and Dari Taylor, as Members of Parliament representing Stockton-on-Tees, who will be able to highlight problems examined during this review surrounding the benefits and the tax credits systems and funding for employability related initiatives with the relevant Ministers.
2. The Learning and Skills Council include a focus on retention and engagement within the new strategy for 14-19 year olds.
3. Stockton-on-Tees Borough Council and the Learning and Skills Council continue to promote and develop youth employment and apprenticeships in Stockton Borough.
4. The Chair of the Regeneration and Transport Select Committee offer to present the findings and recommendations of this report to the Tees Valley Unlimited Employment and Skills Board and Stockton Employability Consortium.
5. Work with existing Incapacity Benefit claimants be considered by the Council and its partners as a priority for inclusion in any future employability related funding.
6. The Council sign a Jobs Pledge and enter a Local Employment Partnership, and continue to support the Corporate Alliance strategy for ex-offenders.

7. The Council market itself more specifically as an employer of choice to disadvantaged and under-represented groups in Stockton. This should be informed by an investigation into practice in other local authorities, including practice considered by the Select Committee in this review.
8. The Council, in consultation with the Trade Unions, explore implementing the 'Slivers of Time' initiative while funding from the Department for Communities and Local Government is available.
9. Targeted Recruitment and Training be embedded in Council corporate policy on public sector contracts, planning and development agreements wherever possible and practicable.
10. The Council and its partners continue to seek to maximise funding for employability initiatives.
11. The Council consider an investigation of the introduction of the new Supplementary Business Rate in Stockton as this may offer opportunities for employability related activity to be included as part of it.
12. The Committee recommends that Stockton Employability Consortium promote itself and its work to all relevant stakeholders as soon as is practicable.
13. Stockton-on-Tees Borough Council's Human Resources and service groups such as Direct Services be invited to attend meetings of Stockton Employability Consortium as necessary and appropriate.
14. Stockton Employability Consortium be encouraged to consider the enhancement of in-work support for people considered the 'hardest to help' and increase the awareness amongst employers of the organisations who currently offer this support.
15. Stockton-on-Tees Borough Council give consideration to job carving as a potential way to assist more people with disabilities into employment. This should also be promoted through Renaissance.
16. Stockton-on-Tees Borough Council and its partners consider strengthening support for social enterprise through its procurement practices.

### 3. Reasons for the Recommendations/Decision(s)

The review was undertaken in recognition that the overall employment rate in the Borough is below the national average. The review relates to the Community Strategy priority to tackle worklessness by removing barriers to employment and enterprise.

### 4. Members Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to

prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

**Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.**

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**CABINET DECISION**

**SCRUTINY REVIEW OF EMPLOYABILITY**

**SUMMARY**

The attached report sets out the findings of the Regeneration and Transport Select Committee's scrutiny review of employability.

**RECOMMENDATIONS**

The Committee recommend:

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## **DETAIL**

1. The Regeneration and Transport Select Committee examined employability for a five month period. The report topic was suggested as Stockton's employment rate, although good within the region, is below the national average. The review focussed on three main issues:
2. Firstly the Committee was tasked with examining how to improve the overall employment rate, especially for those living in wards with the worst labour market position, and reduce the number of people claiming key government benefits.
3. The Committee identified problems of the benefits and tax credits system that may discourage people from entering employment. Although these were considered outside the Committee's direct sphere of influence, the Committee wished to highlight them at the appropriate level. The Committee also identified that assisting more people currently claiming Incapacity Benefit into employment should be a priority in measures to reduce the overall number of claimants.
4. Those with no or low qualifications were also identified as a priority in efforts to improve employment rates. People with no or low qualifications also tended to be concentrated in the wards with the worst labour market position. The Committee therefore considered that Stockton's young people should continue to be encouraged and assisted to develop skills and gain qualifications, especially as the Council will soon become one of the bodies responsible for the new 14-19 learning strategy.
5. The Committee identified that the Council, as one of the largest employers in Stockton, could develop its employment practices in order to target more residents from under-

represented groups or from wards with the worst labour market position, and / or claiming key government benefits. The Committee was pleased to note that a great deal of work is currently undertaken by the Council in relation to this, and other developments are currently being made. A series of initiatives from central government and examples of other local authorities' strategies informed the review which could potentially be utilised in Stockton to complement and develop current work.

6. The Committee also received information on the economic development currently taking place under the Tees Valley City Region initiative. The Committee was pleased to note that employability is considered a key element of the initiative, and this review highlights the programmes currently available in the Tees Valley and coordinated by its local authorities. The Committee considered that there may be scope to develop this work.
7. The second key issue of the review was consideration of long term funding post-March 2008. The current situation of many of the funding streams utilised for employability related activity in Stockton remain unknown. The Committee received information from a range of Voluntary and Community Sector bodies and other groups involved in delivering initiatives through the Neighbourhood Renewal Fund, the Deprived Area Fund, the European Social Fund, and Single Programme funding and were pleased to note the range of initiatives available and the many beneficial outcomes for Stockton residents. The Committee subsequently considered that the Council should continue to maximise funding for employability wherever possible and this review highlights the Supplementary Business Rate as a possibility for future funding or potential source of other employability related activity.
8. Finally, the Committee considered how to support those considered the 'hardest to help' into employment. The new Stockton Employability Consortium (responsible for formulating an Employability Strategy for the Borough) was identified by the Committee as a strategic body that could facilitate greater holistic working amongst the various services groups who are involved in employability. Those considered the 'hardest to help' often experience multiple barriers to employment, which makes work to develop their employability increasingly complex. There is a range of expertise available within the Borough and examples of joined-up working amongst many of the groups in Stockton which the Committee felt should be developed further.
9. The Committee also considered that the Council as a major employer is well placed to inform the work of the Employability Consortium and the development of activity within the Borough designed to assist the 'hardest to help'. Equally, the Employability Consortium could provide greater information and assistance to Human Resources and service groups within the Council in relation to extending the use of employability initiatives which are currently available and designed to assist the 'hardest to help'.
10. The Committee also identified potential scope for the Council to act not only in terms of its own employment practices, but also influence the employment practices of its partners. For example, where existing or potential good practice has been identified, the Committee considered that there is scope to share this with partners, especially those who comprise Stockton Renaissance, and as part of the Tees Valley City Region initiative. The Council's influence can also be utilised through its contracts, planning and development agreements, and procurement practices. This could all serve to improve the employability of many Stockton residents.
11. Following consideration by Cabinet an action plan will be submitted to the Select Committee setting out how the approved recommendations will be implemented detailing officers responsible for action and timescales.

## **FINANCIAL AND LEGAL IMPLICATIONS**

### **Financial**

There are no direct financial implications.

### **Legal**

Possible referral to Public Procurement Guidelines and the Local Government Best Value (Exclusion of Non-Commercial Considerations) Order (2001) which enables public sector bodies to include training and employment considerations as part of procurement criteria and contract requirements in relation to the recommendation on Targeted Recruitment and Training.

## **RISK ASSESSMENT**

The subject matter of this report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **COMMUNITY STRATEGY IMPLICATIONS**

The report relates to the Community Strategy priority:

Tackle worklessness by removing barriers to employment and enterprise.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

Not Ward Specific.

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Background Papers

Ward(s) and Ward Councillors:

Property

No implications in relation to the Council's property.