

Regeneration and Transport Select Committee

Employability



FINAL DRAFT

December 2007

Regeneration and Transport Select Committee
Stockton-on-Tees Borough Council
Municipal Buildings
Church Road
Stockton-on-Tees
TS18 1LD

Contents

<u>SELECT COMMITTEE – MEMBERSHIP</u>	5
Foreword	7
Original Brief	9
1.0 Executive Summary	10
2.0 Introduction	15
3.0 Background	18
4.0 Evidence/Findings	43
5.0 Conclusion	73
6.0 Recommendations	74

SELECT COMMITTEE – MEMBERSHIP

Councillor Maurice Perry (Chair)
Councillor Dick Cains (Vice-Chair)
Councillor Mrs. Eileen Craggs.
Councillor Kevin Faulks.
Councillor John Fletcher.
Councillor Paul Kirton.
Councillor Mrs. Liz Nesbitt.
Councillor Fred Salt.
Councillor Michael Smith.

ACKNOWLEDGEMENTS

The Committee thank the following contributors to this review.

Mr. Stewart Atkinson – Manager, Training and Employment Services, SBC.
Mr. Richard Bradley – Manager, Care for Your Area, SBC.
Mr. Peter Clark – Employment Development Manager: Drugs, Prison Healthcare and Social Inclusion, SBC.
Ms. Sue Maddison – Joint Strategic Commissioner: Drugs, Prison Healthcare and Social Inclusion, SBC.
Mr. Marc Mason – Manager of Community Education, Stockton Adult Education Service, SBC.
Mr. Jamie McCann – Head of Direct Services, SBC.
Mr. Mark Rowell – Business Development Manager, SBC.
Ms. Melanie Smiles – Community Care Manager, Adults Operational Services: Learning Disabilities and Physical Disabilities, SBC.
Ms. Julia Spittle – Head of Human Resources, SBC.
Ms. Linda Stephenson – Benefits Manager, Benefits Service, SBC.
Mr. Roland Todd – Labour Market Coordinator, SBC.
Ms. Lynn Wightman – STEPs Team Manager, SBC.

Mr. Graham Barker – Leader, The Shaw Trust, Stockton.
Mr. Sacha Bedding – Manager, Stockton International Family Centre.
Ms. Janine Browne – Assistant Manager, Stockton and District Advice and Information Centre.
Mrs. Egizia Crabbe – Director, Tees Valley, North East Employer Coalition.
Ms. Val Goodrum – Partnership Director, Stockton, Learning and Skills Council.
Mr. Hilton Heslop – Government Office for the North East Lead Partner, Tees Valley.
Ms. Chris Livingstone – External Relations Manager, Jobcentre Plus Tees Valley.
Mr. John Lowther – Director, Tees Valley Joint Strategy Unit.
Ms. Sandra Morton – Strategic Director: Curriculum and Standards, Stockton Riverside College.
Mr. Graeme Oram – Chief Executive, The Five Lamps Organisation.
Mr. Malcolm Potter – Manager, Tees Valley Engineering Partnership.
Mr. Jonathan Spruce – Senior Assistant Director, Tees Valley Joint Strategy Unit.
Ms. Catherine Whitfield – Public Health Advisor, North Tees Primary Care Trust.
Ms. Lynne Wood – Manager, Pathways to Work, Jobcentre Plus.

Contact Officer:

Daniel Ladd, Trainee Scrutiny Officer
Tel: 01642 528159
E-mail: Daniel.Ladd@stockton.gov.uk

Foreword



**Councillor Maurice Perry,
Chair – Regeneration and
Transport Select Committee**



**Councillor Dick Cains,
Vice-Chair – Regeneration
and Transport Select
Committee**

Original Brief

1. Which of our strategic corporate objectives does this topic address?

Council Plan 2007-2010 –Tackle worklessness by removing barriers to employment and enterprise.(Objective 19)

2. What are the main issues?

1. Improve 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.
2. Future consideration of long term funding post March 2008.
3. Help and support for those groups, which are the “hardest to help”.

3. The Thematic Select Committee’s overall aim/ objectives in doing this work is:

Assist the Council to achieve its objectives in improving employability in the Borough

4. The possible outputs/outcomes are:

Assist the development of an employment strategy.
Reducing benefit claimant levels and barriers to employment.
Improving partnership working across the various agencies delivering employability initiatives
Investigating self-employment opportunities.
Assisting the long-term unemployed and ‘hardest to help’ groups into employment.

5. What specific value can scrutiny add to this topic?

Provides a public forum to highlight employment issues
Contributes to the development of a local Employability Strategy.
Raises the awareness of the Employability agenda across all Services within the Council.

6. Who will the panel be trying to influence as part of their work?

Council departments; Job Centre Plus; Learning and Skills Council; Further Education establishments; private and voluntary sector providers; Black and Minority Ethnic groups; Stockton-Middlesbrough Initiative.

1.0 Executive Summary

- 1.1 Employability refers to the ability of an individual to gain and maintain employment. It is influenced by a range of factors including an individual's attributes (e.g. enthusiasm, willingness to learn, reliability and self-management); assets (e.g. skills, qualifications and work experience); the ability to demonstrate and deploy these attributes and assets; and an individual's personal circumstances. It is also influenced by employer's recruitment procedures and their attitudes and expectations of employees; local labour market conditions; and regional, national, European and global factors.
- 1.2 Demographic change and the maintenance of a favourable economic dependency ratio are long term considerations for the government and appear to form the basis of current targets based on the Leitch Review of Skills (2006) and an ambitious 80% employment rate, announced in the Department of Work and Pensions 'Five Year Strategy: Opportunity and Security Throughout Life' published in 2005.
- 1.3 In the recent Department of Work and Pensions Green Paper 'In Work Better Off: Next Steps to Full Employment' (2007) the government acknowledged that "a step change in the support we offer to those who are most disadvantaged in the labour market" is required if the 80% employment rate is to be achieved (DWP, 2007: 5). Nationally there has been much success in recent years in terms of reducing unemployment; in Stockton this has halved since 1998. Whilst it is recognised that the majority of job-seekers find unemployment a "short term state of transition", with 80% moving off benefit within 6 months, the central thrust of measures to improve employment rates appears to have shifted towards assisting "harder-to-help" groups (Treasury: Budget 2007: 82; DWP, 2006: 17).
- 1.4 The North East is currently at the forefront of activity to improve employability with the development of the Regional Employability Framework, and the Tees Valley is benefiting from increased economic development and regeneration projects, many linked to the Tees Valley City Region initiative.
- 1.5 The Regeneration and Transport Select Committee examined employability for a five month period, focussing on three main issues:
- 1.6 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. Research showed that Stockton is a borough of contrasts with areas of deprivation and affluence. Contrasts appear particularly evident in terms of employment, with the ward with the highest unemployment rate being ten times that of the ward with the lowest rate. 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.
- 1.7 Those with no or low qualifications were also identified as a priority in improving employment rates. People with no or low qualifications also tended to be concentrated in the wards with the worst labour market position. The Committee 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.

- 1.8 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 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 current work.
- 1.9 The Committee 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 highlighted 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, potentially utilising the forthcoming Multi Area Agreement to facilitate this.
- 1.10 Consideration of long term funding post March 2008 was the second key issue of the review. 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.
- 1.11 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.
- 1.12 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. 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 current employability initiatives designed for the 'hardest to help'.
- 1.13 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 City Region initiative in the Tees Valley. 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.

1.14 Recommendations

- 1.15 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 (para 4.12 and 4.110).
- 1.16 The Learning and Skills Council include a focus on retention and engagement within the new strategy for 14-19 year olds (para 4.19).
- 1.17 Stockton-on-Tees Borough Council and the Learning and Skills Council continue to promote and develop youth employment and apprenticeships in Stockton Borough (para 4.20).
- 1.18 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 (paras 4.36 and 4.127).
- 1.19 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 (para 4.52).
- 1.20 The Council sign a Jobs Pledge and enter a Local Employment Partnership, and continue to support the Corporate Alliance strategy for ex-offenders (para 4.66).
- 1.21 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. (para 4.85).
- 1.22 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 (para 4.94).
- 1.23 Targeted Recruitment and Training be embedded in Council corporate policy on public sector contracts, planning and development agreements wherever possible and practicable (para 4.99).
- 1.24 The Council and its partners continue to seek to maximise funding for employability initiatives (para 4.108).
- 1.25 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 (para 4.119).
- 1.26 The Committee recommends that Stockton Employability Consortium promote itself and its work to all relevant stakeholders as soon as is practicable (para 4.128).
- 1.27 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 (para 4.136).
- 1.28 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 (para 4.138).

- 1.29 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 (para 4.142).
- 1.30 Stockton-on-Tees Borough Council and its partners consider strengthening support for social enterprise through its procurement practices (para 4.145).

2.0 Introduction

2.1 Employability – A Definition

2.2 Employability is a multi-faceted term. It appears useful to explore the elements that comprise a definition in order to provide clarity to the report. This is the definition which was provided to members and used as a basis for determining the various different elements and perspectives that informed this review.

2.3 In 1998 Hillage and Pollard were tasked by the then Department for Education and Employment (DfEE) with developing a framework for policy analysis in respect to employability and identified the following as the key elements of the term:

- the ability to gain initial employment;
- the ability to maintain employment (and make transitions between jobs and roles);
- the ability to obtain new employment (i.e. to be independent in the labour market);
- the quality of such employment (although not to as great an extent as the previous three points).

2.4 In light of this, Hillage and Pollard posited the following as a definition:

“In simple terms, employability is about being capable of getting and keeping fulfilling work. More comprehensively, employability is the capability to move self-sufficiently within the labour market to realise potential through sustainable employment. For the individual, employability depends on the knowledge, skills and attitudes they possess, the way they use those assets and present them to employers and the context (e.g. personal circumstances and labour market environment) within which they seek work”.

(Hillage and Pollard, 1998: 2).

2.5 Employability for the individual appears to be comprised of both internal and external factors therefore. For example, an individual’s attributes (e.g. enthusiasm, willingness to learn), assets (e.g. skills, qualifications, experience), and the ability and capability to utilise these assets and attributes are identified as essential in contributing to an individual’s employability, as well as factors such as local labour market conditions, wider “economic drivers”, and employers recruitment procedures and their attitudes and expectations of employees (Hopkins *et al*, 2003: 7). Hopkins *et al* who looked into definitions of employability as part of a review by the Scottish Executive Effective Interventions Unit make clear that “all these factors together make up employability” (2003: 7). In attempting to improve employability therefore it is not acceptable to only focus on one or a series of factors, but all factors must be taken into account.

2.6 With this in mind, Hopkins *et al* provide the following definition:

“Employability entails achieving a match between the abilities, attitudes and capabilities of an individual, the needs, expectations and attitudes of employers, and the demands of the current local labour market conditions”

(Hopkins *et al*, 2003: 7).

2.7 This gives an overview of the key themes of employability. These have been summarised in table 1.1:

TABLE 1.1.

Supply Side Factors	Demand Side Factors
An individual's attributes (e.g. enthusiasm, willingness to learn, reliability and self-management).	Employers' recruitment procedures and their attitudes and expectations of employees (including the willingness of employers to take on people from groups perceived to be disadvantaged or the 'hardest to help').
An individual's assets (e.g. skills, qualifications and work experience).	Local labour market conditions.
The ability to demonstrate and deploy these attributes and assets.	Regional, National, European and Global economic factors.
An individual's personal circumstances.	

2.8 As should be clear from the above table, there are key elements of this review which have very direct impacts on employability in Stockton but are outside of the Committee and the Council's sphere of influence. The inclusion of 'personal circumstances' in the above table is also crucial to this review. This review has identified that the kinds of issues which can impact on an individual's employability are often multiple and complex.

2.9 The key issues of the review included improving the employment rate in Stockton, especially for those living in wards with the worst labour market position, and reducing the number of people claiming key government benefits; providing help and support for those groups considered the "hardest to help"; and giving consideration to long term employability related funding post-March 2008.

2.10 The government identifies that the success in tackling unemployment since 1997, coupled with sustained economic growth means that currently the majority of people not in employment are economically inactive as distinct from the traditionally defined unemployed, and are therefore "further away from the labour market" (DWP, 2005: 26; see Glossary for definition of terms). This means that whilst the majority of job-seekers find unemployment a "short term state of transition", with 80% moving off benefit within 6 months, the central thrust of measures to improve employment rates has shifted towards assisting 'harder-to-help' groups (Treasury, 2007: 82; DWP, 2006: 17).

2.11 The Committee identified the 'hardest to help' as a wide ranging concept and identified those groups which could access specialist services or require additional assistance as the 'hardest to help'. These included those groups

prioritised by government and targeted under the various New Deals; those able to access Pathways to Work, mental health services, or drug rehabilitation services; ex-offenders; young people not in employment, education or training (NEET); the long-term unemployed; the low skilled and low qualified; people from Black and Minority Ethnic Communities living in deprived areas; people with learning or physical disabilities; the over 50s; and people living in deprived areas (defined as the thirty local authority wards with the worst initial labour market position) (see Adams, 2005: 9; Treasury, PSA Delivery Agreement 8, 2007: 5, 10-11). As mentioned above, it was also importantly recognised by the Committee that these characteristics overlap and that people often face multiple barriers to employment (see Adams, 2005: 9).

- 2.12 By concentrating on wards, the review also inherently adhered to the concept of unemployment having a key spatial dimension. This reflected observations that local labour market dynamics can skew unemployment which can lead to people being “pushed...into neighbourhoods which form pockets of poverty and deprivation” (MacGregor, 2003: 61). The evidence on this from Stockton will be presented later, but it does appear to show certain wards with substantially higher rates of unemployment than others. The major employment initiatives such as the various New Deals appear to be client focused, Neighbourhood Renewal and the Deprived Area Fund activity appears to combine client and area based approaches, with different initiatives funded through the Neighbourhood Renewal Fund targeting specific client groups living in specific wards.

3.0 Background

3.1 The National Context

3.2 Freud identifies an “intensified” approach to tackling unemployment under New Labour from 1997 (Freud, 2007: 12). Indeed much success appears evident within the last ten years, with 2.3 million more people in employment by 2006 compared to 1997, and the UK’s employment rate rising to become one of the highest amongst the G8 countries (DWP, 2006: 2). The various initiatives introduced since 1997 have resulted in some of the groups specifically targeted by Labour on entering office, as they were identified as being in the worst employment position at that point, improving their labour market positions to the greatest extent. For example, the employment rate of lone parents is up by almost 12%; for those with a health condition or disability employment is up by 9%; and for ethnic minority groups by 4.5% (DWP, 2005: 23).

3.3 Employment policy currently appears to be based in large part on a moral agenda of advancing social justice (Treasury PSA Delivery Agreement 8, 2007: 3; DWP, 2006: iv; DWP, 2006a: 5-6; DWP, 2007: 1-2). Indeed it is identified that more work needs to be undertaken to “break down the barriers that prevent many from fulfilling their potential...that impede social mobility and, through worklessness and economic inactivity, consign people to poverty and disadvantage”, (DWP, 2006: 2). In terms of the scale in tackling worklessness, 4.5 million people of working age claim out of work benefits, including 3.6 million on inactive benefits (meaning they do not have to look for work) (DWP, 2007: 1, 20).

3.4 Initiatives – Jobcentre Plus

3.5 Under New Labour welfare and social security systems have been redesigned through the merging of the Benefits Agency and the Employment Service into Job Centre Plus. The government identify the introduction of Job Centre Plus in April 2002 as essential to the apparent current success in reducing the numbers of benefit claimants as “for the first time, getting benefits has been combined with a strong work focus” (DWP, 2005: 23). The uniting of the employment service with the part of the benefits agency that delivered services to people of working age was, the government claims, “a very visible manifestation of the integrated *rights and responsibilities* agenda” which has put in place a new state/citizen construct for benefit claimants (DWP, 2005: 23). This means that the individuals’ right to claim benefits and access services for finding work should be underpinned not only by the responsibilities of government (including providing access to appropriate training, information and advice, action to prevent discrimination, and measures to make work more financially awarding through the minimum wage and tax credits) but also by the responsibilities of individuals, where possible, to make efforts to move closer to the labour market and enter employment (Treasury, 2007: 84).

3.6 The various New Deal programmes are the government’s flagship initiative to assist people into employment. They are based on specific client groups, such as young people (18-24), lone parents, partners, disabled people, people aged 25 – 50, and the over 50’s (the New Deal for Communities is also available in some areas and focuses on the most deprived areas in the country). Essentially the objectives of the New Deal appear, according to Finn (2003: 116), twofold:

- To increase long-term employability and help specific client groups into jobs.

- Improve the prospects of people staying and progressing in employment.
- 3.7 The New Deals offer assistance and options for routes into work, with the help of a personal adviser for every participant. The New Deals are linked to claimants of various state benefits, for example those on Job Seekers Allowance (JSA) are supposed to be available to actively seek work. The New Deal for Young People begins as a mandatory programme for 18-24 year olds after they have been claiming JSA for six months without finding a job. A 'Gateway' period of 16 weeks in which an individual receives an intensive period of support from a Personal Adviser is followed by mandatory activity on one of four options if the individual still does not enter employment: subsidised employment; full-time education and training; work placements; or the environment task force. If participants still have not entered employment they receive another 16 weeks intensive support (Freud, 2007: 13; NAO, 2007: 54). The New Deal 25 Plus, the New Deal 50 Plus, the New Deal for Lone Parents and the New Deal for Disabled People are also available.
- 3.8 In terms of outcomes, the New Deal programmes have, between 1998 and 2005, resulted in:
- 535,000 more young people into employment (with youth unemployment now virtually eradicated);
 - 204,000 more people aged 25-49 into employment;
 - 296,000 lone parents into employment;
 - Between 2000-2005 150,000 people aged 50 and over have gained employment;
 - In the first three years of the New Deal for Disabled People 46,000 more people entered employment (DWP, 2005; 2006).
 - Overall, this has contributed to nearly a two-thirds reduction in the long term claimant count since 1997 (Treasury, 2007: 85).
- 3.9 Another key initiative delivered by Job Centre Plus is 'Pathways to Work'; a service provided to assist people with a disability or limiting long-term illness into employment. The difficulties surrounding people who have a disability or limiting long-term illness and employment are distinct. For example, in 2005 there were 2.7 million people of working age receiving Incapacity Benefit (which provides a replacement income if an individual becomes sick or disabled and has to stop working or looking for work as a result, based primarily on National Insurance contributions). To put this in context, it is greater than the combined total of unemployed people on benefit and lone parents, and is more than 7% of the working age population (Commons Work and Pensions Committee, 2006: not numbered). However, according to government estimates, over 750,000 of the people receiving Incapacity Benefit would like to work (Commons Work and Pensions Committee, 2006: not numbered). In turn, it is also stated that off-flow rates are low, and it is claimed that after two years on incapacity benefits, a person is more likely to die or retire than find a new job (DWP, 2006:3 Work and Pensions Select Committee, 2006: not numbered).
- 3.10 The government state therefore that with assistance many people currently claiming Incapacity Benefit could enter employment. The Pathways to Work programme appears a more concentrated attempt in "addressing the barriers that people face when they have an illness or disability, rather than simply

compensating them for the disadvantage they face” (DWP, 2002: 27). Pathways to Work was initially piloted in 2003 and is to be rolled out nationally in 2008. Pathways to Work includes six mandatory work focussed interviews (WFI’s) for those making a claim for incapacity benefit and a ‘choices’ package consisting of employment programmes (such as the New Deal for Disabled People) as well as possible in-work support including job coaches, occupational health support, and financial advice. Alongside this, Pathways to Work provides a ‘Condition Management Programme’ (delivered through Job Centre Plus and NHS Trusts and designed to assist people in managing their disability or health condition while in employment), and, for some clients, a £40 a week return to work credit available for up to a year (DWP, 2005; Disability Rights Commission, 2006: 4; NAO, 2007: 60).

3.11 In Work Benefits, Assistance into Employment and Measures to ‘Make Work Pay’

3.12 In terms of in-work benefits and measures to ‘make work pay’, the government have, since 1997, introduced the National Minimum Wage; Tax Credits such as Child Tax Credits for those on low incomes with children and Working Tax Credits to raise the earnings of some low-paid workers (NAO, 2007:60).

3.13 To assist transitions into employment for those coming off benefits, Job Centre Plus’ Customer Management System can provide information to HM Revenue and Customs and local authorities on benefit claimants reducing delays in individuals receiving Housing Benefit and / or Tax Credits. Housing Benefit ‘Run On’ is available to certain claimants for up to a month if a claimant or their partner is moving into work for five weeks or more. Jobcentre Plus can also provide other funds such as the Job Grant and the Adviser Discretion Fund to assist transitions into work (NAO, 2007:60). In addition to this, to reduce the risk of trying work, there are certain linking rules enabling people on Incapacity Benefits to move into work without the risk that if they cannot sustain employment and have to leave they will go back onto a lower level of benefit (NAO, 2007: 60).

3.14 Employability Initiatives and Funding Streams

3.15 These are just some of the initiatives designed by the government to assist more people into employment which are available nationally and delivered through Job Centre Plus and HM Revenue and Customs. In addition to this, there are a number of ways in which local authorities themselves have the power to influence the employability of residents, through Sustainable Community Strategies, Local Area Agreements (LAA) or the work of Local Strategic Partnerships (LSPs) for example.

3.16 In many local authorities these are complemented by one or a series of initiatives and funding streams which can be used for employability related activity. The Neighbourhood Renewal Fund (NRF) is one of these initiatives, which in 2004 allocated £525 million per year to the 86 most deprived local authorities in England and forms a non ring-fenced grant managed by the LSP to help deliver the national Neighbourhood Renewal Strategy (Neighbourhood Renewal Unit, <http://www.neighbourhood.gov.uk/page.asp?id=61>).

3.17 Stockton received £3,684,295 in Neighbourhood Renewal Funding in 2006-07 and £3,701,049 in 2007/08. The Neighbourhood Renewal Fund supports a

variety of initiatives under six mandatory neighbourhood renewal themes of crime, education, employment, health, housing, and liveability (Treasury, BERR, DCLG, 2007: 29). Within these themes, two funds in Stockton were identified as particularly relevant to this review: the Employment and Enterprise Package which received an allocation of £1,145,527 (the third largest NRF allocation, behind Health and Crime and Community Safety), and the Health and Worklessness package which received an allocation of £395,634 (the sixth largest NRF allocation, behind Health, Crime and Community Safety, Employment and Enterprise, Liveability, and Children and Young People). The eligible areas for Neighbourhood Renewal 2006/08 were Hardwick; Ragworth & Little Ragworth; Norton Grange; Primrose Hill & Newtown; Parkfield; Albany; Portrack & Tilery with Mount Pleasant; Victoria & Mandale; Holmes & Middlefield; Low Grange; Cowpen & Clarences.

- 3.18 The Deprived Area Fund is another initiative available in Stockton, which combines and replaces two previous initiatives, Action Teams for Jobs and Ethnic Minority Outreach. Action Teams for Jobs worked in “small areas with particular problems of labour market disadvantage to tackle the causes of the differential employment rates between areas of deprivation and other areas, by increasing the employment rates among disadvantaged groups” who may have been reluctant to engage with mainstream Jobcentre Plus services (Casebourne *et al*, 2006: 7-8). The Deprived Area Fund has a similar remit; it is designed to address gaps in provision, add value to Jobcentre Plus services, narrow gaps in employment rates between deprived wards and the local authority (and national employment rates) and assist those considered the hardest to help. The DAF is available in the former wards of Blue Hall; Charltons; Hardwick; Mile House; Newtown; Parkfield, Portrack and Tilery; Roseworth; Stainsby and Victoria. Funding for Stockton is, in 2007/2008, £565,480.
- 3.19 The European Social Fund (ESF) is managed in the North East by the Government Office and is utilised to “support the EU's goal of increasing employment by giving unemployed and disadvantaged people the training and support they need to enter jobs” (http://www.esf.gov.uk/introduction_to_esf/). The ESF for 2000-06 had three objectives, two of which (objectives 2 and 3) were available in the North East. The Objective 2 Programme was split into four ‘priorities’: encouraging entrepreneurs; developing businesses; developing large scale employment opportunities; and developing target communities. The Objective 3 programme focused on projects that improved education, training and the work experience of local residents in targeted communities (Government Office for the North East, <http://www.gos.gov.uk/gone/eurofunding/objective2/?a=42496>).
- 3.20 The new European Social Fund for 2007-2013 has two key priorities which replace the old Objectives 2 and 3. Priority 1 is to extend employment opportunities to disadvantaged groups including people with disabilities; lone parents; people aged over 50; people from ethnic minorities; people without qualifications; and young people not in education, employment or training, and is worth £100 million in the North East. Priority 2 is to develop a skilled and adaptable workforce and is worth £55 million in the North East, it focuses on people in the workforce who lack basic skills or good qualifications (http://www.esf.gov.uk/introduction_to_esf/).

3.21 Single Programme or Single Pot is funding for Regional Development Agencies (RDAs). RDAs are able to spend this as they see fit to achieve the priorities and targets identified in their Regional Economic Strategies and Corporate Plans. (<http://www.dti.gov.uk/regional/regional-dev-agencies/funding-financial-gov/page20136.html>). One North East, the Regional Development Agency for the North East, launched the Regional Economic Strategy Action Plan on 18th May 2007 which sets out the activity designed to improve the regions economic performance (One North East, 2007 http://www.onenortheast.co.uk/page/res_action_plan.cfm; National Statistics Online, <http://www.statistics.gov.uk/cci/nugget.asp?id=254>). The basis for the allocation of Single Programme funding for Stockton until 2008 is the Stockton Middlesbrough Initiative which forms a 10 year programme to develop the Tees Valley City Region.

3.22 In terms of promoting economic growth at a local level which support and develop employability, there are three further initiatives introduced by central government and available in Stockton which appear worth noting:

- The Local Authority Business Growth Initiative (LABGI) introduced in 2005, enables local authorities to “receive a proportion of increases in local business rate revenues to spend on their own priorities, creating a direct financial incentive for authorities to promote local business growth”. In 2006/2007 over 300 local authorities received LABGI funding worth a total of £300 million (Treasury, BERR, DCLG, 2007: 24).
- The Local Enterprise Growth Initiative (LEGI) also introduced in 2005 is a grant available to local authorities eligible for Neighbourhood Renewal Funding, and aims to improve levels of enterprise in disadvantaged areas (Treasury, BERR, DCLG, 2007: 30).
- Business Improvement Districts (BIDs), introduced in the Local Government Act (2003), are partnerships between local authorities and the local business community. They enable local business, within an area of a local authority to develop their own improvement plans which work alongside those of the local authority. They must be agreed with a vote of businesses within a specified area and funded through a levy on those businesses (Treasury, BERR, DCLG, 2007: 25).

3.23 Demographic Change and the Importance of Employment for Future National Prosperity

3.24 There is clearly a great deal of work being done in relation to assisting more people into employment therefore. The question remains however why is it such a pressing issue for the government to attempt to raise the employment rate? As previously discussed, New Labour’s drive to extend employment opportunities has been couched in terms of social justice. There also appear clear economic reasons as to why it is beneficial for the employment rate to increase. The government has currently set an ambitious aim of increasing the overall employment rate of (around) 75% to a record 80% (DWP, 2005: 6). The root cause of this target appears to largely be based in demographic change and the problems of both an ageing population and declining fertility rates. This, it is predicted, will negatively impact on the economic dependency ratio (essentially the ratio of those aged under 16 or over State Pension Age and those of working age who are not in work, to those aged 16 to State Pension Age who are in work), a trend reflected throughout much of the developed world. The government estimate however that the rise in the economic dependency ratio in the UK between now and 2050 will be virtually offset if an

80% employment rate is achieved and maintained (DWP, 2005: 26). Increasing employment rates are important as these demographic changes take place because:

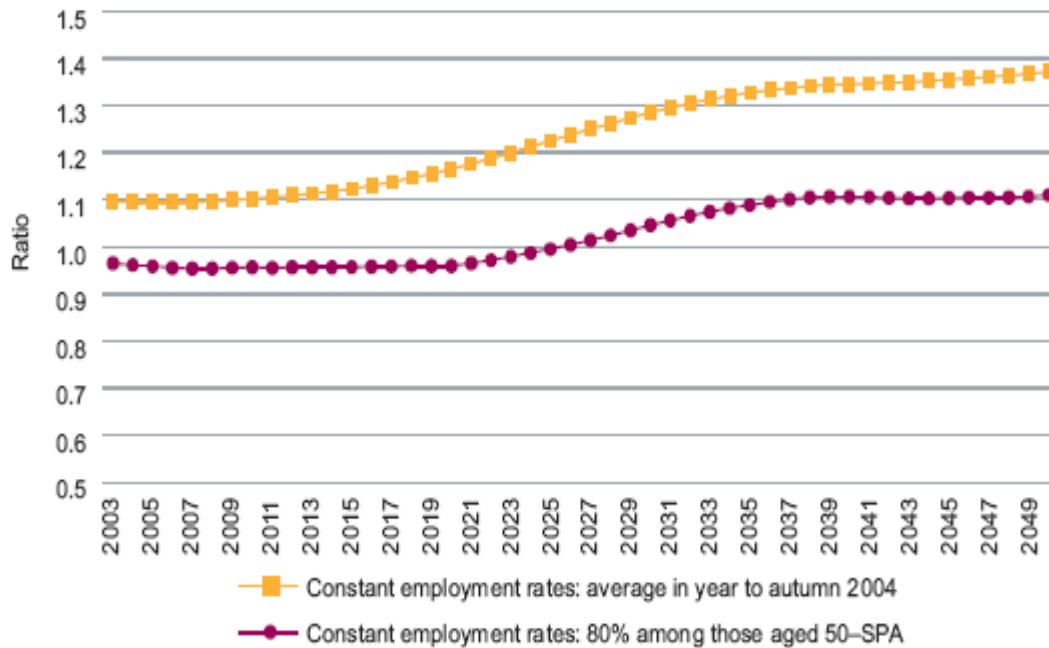
- 3.25 *“The current population can only consume the output produced by the current population. This means that those who are out of work must consume a share of the output produced by those in work. The more people in the economy who are not in work, the smaller the amount of output that each member of the population can receive. So, the problem of sharing limited output is not really determined by the number of older people, but by the proportion of the population that is productive. Taking account of the numbers actually in work can provide a more useful measure that reflects more fully the country's productive capacity. The economic dependency ratio is the ratio of those who are out of work to those who are in work, regardless of age. This measure is, like the traditional “dependency ratio”, affected by the age shift in the population. However, it will also be affected by other changes such as employment rates and the ages at which people start and stop employment”.*

Department for Work and Pensions Opportunity Age: Opportunity and Security Throughout Life Vol.2, Section 1 Our Ageing Society
(http://www.dwp.gov.uk/opportunity_age/volume2/section_one.asp)

- 3.26 The government acknowledge that this is heavily dependent on reducing the numbers of people on benefits and reducing employment gaps between different groups in society. Essentially, the government have set themselves a figure of an 80% employment rate to vastly improve the economic dependency ratio. As an essential part of efforts to reach the 80% figure, the government recognise there needs to be “a step change in the support we offer to those who are most disadvantaged in the labour market” (DWP, 2007: 5). To illustrate this point, the line graph below from the Department for Work and Pensions website shows the likely course of economic dependency ratios given employment rates as they were at 2003 / 2004 (around 75%, which it is currently still around) and the 80% employment rate. The upper line indicates how “quite dramatic rises” in the economic dependency ratio will occur if employment patterns do not change (a rise of almost a quarter by 2050). This projection is not only a reflection of increases in the number of people over State Pension Age, but by existing low employment rates among some of the age cohorts below State Pension Age (especially those aged 50 to State Pension Age who make up a growing proportion of the population). The lower line shows how an 80% employment rate (compared with around 75 % today) could greatly reduce the economic dependency ratio we might face in the future.

3.27 TABLE 1.2

Ratio of non-workers to workers, if age-specific employment rates remain constant over time, 2003-2050



(Source: GAD, 2003 population projections, LFS employment rates – see source above).

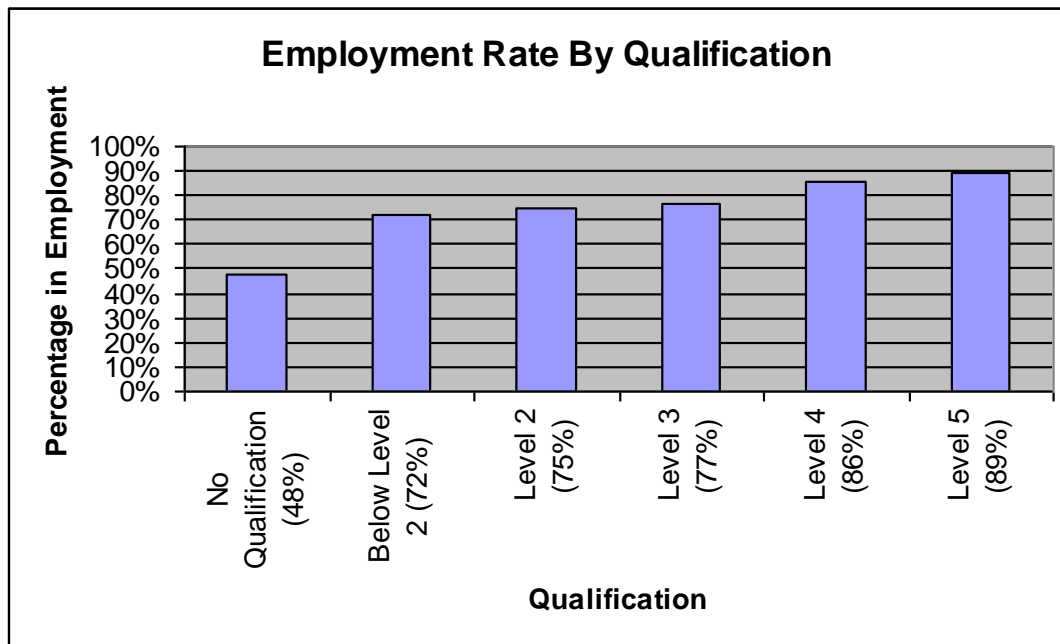
3.28 The Leitch Review of Skills

3.29 Linked to these projections for future employment are projections for future required skill levels. In 2004 the government asked Lord Sandy Leitch to “consider what the UK’s long-term ambition should be for developing skills in order to maximise economic prosperity, productivity and to improve social justice” (Leitch Review, 2006: 3). The Leitch Review stated that “increasingly skills are a key determinant of employment”, noting that the unemployment rate of those with low or no skills is nearly double that of the working population as a whole (Leitch Review, 2006: 9; Commons Work and Pensions Committee, 2007: 33). As shown in the previous section, the economic dependency ratio will be critical to future national economic prosperity. The pressures of an ageing population have already been discussed, but the pressures of global economic change have equal regard in the Leitch Report. Leitch notes that emerging economies such as India and China are “growing dramatically”, with China likely to become the third largest economy in the world by 2015 (Leitch Review, 2006: 7). The challenge of these newly skilled economies means that the prosperity of every nations economy will “increasingly [be driven] by its skills base” (Leitch Review, 2006: 7).

3.30 Around half of those people with very low skills are economically inactive, equating to around 2.5 million people. These people are also more likely to find it difficult to enter employment and when they do they are often trapped in “a cycle of low-skilled, poorly paid, often short-term employment with few training opportunities and a dependence on public support”, and are more likely to

frequently move between employment and benefits (DIUS, 2007:22). Table 1.3. below shows employment rates by qualification. In terms of up-skilling those with no or low qualifications, it appears worth noting the difference in employment rates between those with no qualifications and those with level 2 qualifications, those with Level 2 qualifications are twice as likely to be in employment (DIUS, 2007: 23). Evidence to the Work and Pensions Select Committee from 'Inclusion' showed that the position for those with low skills is likely to get worse, as there will be significantly fewer jobs for low qualified people in the future, and it is "highly debateable" if more jobs for low skilled people would be desirable. Currently therefore "the UK has too many people with low qualifications competing for a shrinking pool of jobs requiring low qualifications" (Work and Pensions Select Committee, 2007: 34). Leitch predicts therefore that an individual's economic security will be best protected in ensuring they have "a basic platform of skills that allows flexibility and can update their skills as the economy changes", emphasising the link between skills and employment (Leitch Review, 2006: 9).

3.31 TABLE 1.3.



(Source: Labour Force Survey Quarter 4, 2006, in Department for Innovation, Universities and Skills (2007) World Class Skills: Implementing the Leitch Review of Skills in England).

3.32 Lord Leitch made a series of stretching targets for the UK to reach by 2020, to which the government have committed themselves to. These include:

- 95% of adults to have basic skills of functional literacy and numeracy, up from 85% literacy and 79% numeracy in 2005;
- More than 90% of adults to have gained at least a level 2 qualification (equivalent to 5 GCSE's at A*-C grade), up from 69% in 2005; with a commitment to achieve 95% as soon as possible;
- To shift the balance of intermediate skills from level 2 to level 3 (equivalent to 2 A Levels), with 1.9 million more people achieving Level 3 by 2020;
- To deliver 500,000 people a year in apprenticeships in the UK;

- More than 40% of all adults to have a higher education qualification (at level 4, a certificate in higher education / foundation degree / honours degree and above) up from 29% in 2005.

(DIUS, 2007: 9).

- 3.33 In terms of what this would deliver, Leitch states that “the prize” in achieving this would be “more economic prosperity and increased social justice” including:

“a net benefit of £30 billion over 30 years, an annual average of £2.5 billion...increased productivity...the employment rate would grow 10 per cent more quickly than projected, with at least an additional 20,000 people into work by 2020, helping to move towards the ambition of an 80% employment rate...people will have a fairer chance to progress, there will be less social deprivation and positive wider impacts on health, crime and social cohesion”.

(Leitch Review, 2006: 16).

3.34 Activity to Improve Employability

- 3.35 The Leitch Review included a series of proposals on initiatives to develop skills (see Leitch Review, 2006:137-41). The Government has acted on many of Lord Leitch’s recommendations, and the Department for Innovation, Universities and Skills produced an Implementation Plan for the Leitch Review, ‘World Class Skills: Implementing the Leitch Review of Skills in England’, in July 2007. For example, the government have introduced a pilot programme of Skills Accounts that will provide all people, in and out of work, with information, advice and guidance to help them access the right training (DIUS, 2007: 27). Alongside this, the government have announced that they will strengthen the current funding arrangements enabling adults to access free training in basic literacy and numeracy and a first full level 2 qualification (Treasury PSA Delivery Agreement 2, 2007: 12).

- 3.36 In relation to Lord Leitch’s recommendation of boosting the number of apprenticeships to 500,000 each year by 2020, and access to these for young people, the government introduced new Diplomas for 14-19 year olds which, although not apprenticeships, combines functional employability skills with theoretical and practical learning in an occupational area, and includes a “vital” work experience element (DIUS, 2007: 61-62; DCSF, 2007a: not numbered). Ensuring that all courses under the 14-19 Diploma are available in a local area will be the responsibility of the Local Authority (in relation to 14-16 year olds) and the Learning and Skills Council (LSC) (in relation to 16-19 year olds) (DCSF, 2007: <http://www.dfes.gov.uk/1419/index.cfm?sid=27&pid=218&ctype=TEXT&ptype=Single>). The government has legislated for “every young person to be able to access a new qualifications and curriculum entitlement by 2013” including the employer-led diplomas which are based on sectors of the economy, the first of which will be in place from September 2008. Around 38,000 young people are expected to start a diploma in, Construction and the Built Environment, Engineering, Information Technology, Society, Health and Development, and Creative and Media. Partnership working is identified as critical to this provision as “it is unlikely that any one institution will be able to offer the 14-19 entitlement alone”. 14-19 Partnerships are therefore being convened by local authorities and the Learning and Skills Council and should include schools, colleges, training providers and employers (Treasury, PSA Delivery Agreement 10 and 11, 2007: 20-23).

- 3.37 The Leitch Implementation Plan also includes initiatives for greater skills training to those accessing Job Centre Plus services. The government state that of Job Centre Plus' 5.1 million customers, 38% lack functional literacy and 45% functional numeracy. The government state therefore that Jobcentre Plus are well placed to work in partnership with the Learning and Skills Council and the new adult careers service in addressing this (DIUS, 2007: 30). Jobcentre Plus personal advisers carry out "light touch screening at new claims stage for all customers with particular attention on those who are making repeat claims" (Treasury PSA Delivery Agreement 2, 2007: 12). Support from the first day of a claim will be available to those with skills below Level 1 for literacy and Entry Level 3 for numeracy (Level 1 is a D-G grade at GCSE and Entry Level 3 is equivalent to the standard 11 year olds are expected to achieve in Key Stage 2), who, since August 2007, have been able to access the Employability Skills Programme which enables participants to gain a nationally recognised Skills For Life (the national strategy for improving adult literacy and numeracy in England) literacy, language and numeracy qualification as well as an employability certificate recognising development in the behaviours and attitudes required for employment (DIUS, 2007:32-33; Treasury PSA Delivery Agreement 2, 2007: 12 and 21). For those jobseekers still out of work at six months, a skills health check is available to identify any skills barriers to employment (DIUS, 2007:32-33; Treasury PSA Delivery Agreement 2, 2007: 12).
- 3.38 The Implementation Plan also makes provision for continued support for those who enter employment, especially those going into entry level positions, to ensure that they are able to sustain employment (DIUS, 2007: 33).The Skills Pledge is seen to encapsulate the "new partnership [needed]...between employers, employees and Government to drive up skills in the workplace, with each taking responsibility for increasing their action and investment" (DIUS, 2007: 54). The key elements of the Skills Pledge are:
- Actively encouraging and supporting employees to gain the skills and qualifications that will support their future employability and meet the needs of the business/organisation;
 - Actively encouraging and supporting all employees to acquire basic literacy and numeracy skills, and with Government support work towards their first level 2 qualification in an area that is relevant to the business/organisation; and
 - Demonstrably raising employees' skills and competencies to improve company/organisation performance through investing in economically valuable training and development.
- (DIUS, 2007: 54).
- 3.39 More than 150 employers have already made the Skills Pledge, including all Central Government Departments, the armed forces, the police force, Ford, McDonalds, and Sainsbury's, affecting over 1.7 million employees. Every employer who makes the Skills Pledge will be given access to support from a Skills Broker through the Learning and Skills Council's 'Train to Gain' service. Train to Gain was implemented nationally in 2006 and offers employers free independent and impartial advice on skills and assistance in accessing employee training through a Skills Broker (DIUS, 2007: 55-57).

3.40 Complementing the Skills Pledge is the Jobs Pledge / Local Employment Partnerships, introduced in the 2007 Budget Statement. They are designed to assist people at most disadvantage in terms of entering employment into job opportunities, and aim for major employers in the private and public sectors to offer a quarter of a million job opportunities to people who are disadvantage in the labour market (DWP, 2007: 32-35). The Partnerships are between employers and Job Centre Plus and measures by employers should include some or all of the following:

1. Offering 2-4 week Work Trials to a given number (determined by the employer) of local benefit claimants;
2. Offering a target number of places for New Deal participants wishing to participate in the subsidised employment option or wishing to take up work experience or work placement;
3. Working with Jobcentre Plus and the Learning and Skills Council on the design of pre-employment training to ensure that it is relevant to employers' needs, and agree, when hiring, to guarantee interviews or jobs to local benefit claimants who complete this training;
4. Encouraging their employees to volunteer to provide one-to-one mentoring for long term benefit claimants to help prepare them for work;
5. Reviewing their application processes to ensure that local benefit claimants are not inadvertently excluded by, for example, requirements for qualifications, or overly complicated procedures and are able to discuss any needs they have for flexible working patterns.

(Job Centre Plus Press Release, 2007)

3.41 Local Employment Partnerships have been established with employers involving:

- Tesco: a new Tesco store in Failsworth near Oldham necessitated recruiting around 400 employees, of which a fifth were long term benefit claimants. Tesco have extended this pilot to providing job guarantees for a proportion of all newly created jobs;
- Marks and Spencer: the 'Marks and Start' programme is aimed at lone parents, homeless people, people with disabilities and young unemployed people and has over 250 people who completed the programme successfully have been recruited by Marks and Spencer or other retailers. The programme is also to be extended;
- B & Q: 300 vacancies at a warehouse store in Edinburgh are to be filled through a Local Employment Partnership;
- HBOS: established a pre-recruitment course, 'Job-Fit', offering 13 weeks of support to ensure potential applicants are confident and able to communicate their skills at interview;
- Salford Royal Hospital NHS Trust: established monthly 'job-shops' where applications are taken and assessed in one day. Anyone who is felt would benefit from a pre-recruitment training course including 'work-tasters' is invited to attend these, which run three times a year and have a 70% success rate. The Trust estimate savings of £300,000 on their advertising budget;
- BUPA: established a pre-recruitment course for care assistants, targeting the Black and Minority Ethnic population. 28 people placed on the course and 50% received job offers.
- London Underground: commissioned 'Fair Cities' to recruit 200 Customer Service Assistants from people living in disadvantaged wards in Brent

(nearly 70% were from disadvantaged wards, 85% were from ethnic minorities), including a pre-employment course designed to build confidence and improve basic skills for workless people in disadvantaged areas (including individual training plans, literacy and numeracy assistance, motivation building and competency based interview training).
(DWP, 2007: 33-34)

3.42 These are some of the current initiatives around employability. The focus of the Leitch Review and the content of both the Skills Pledge and Jobs Pledge appear to place a new advanced role for employers' in relation to employability initiatives, especially for those with low skills and those claiming key benefits. As a whole therefore, there appears a wealth of national, regional and locally determined activity in place. The next section attempts to provide an overview of the various organisations involved in employability related initiatives.

3.43 Governance of Employability

3.44 Work around employability is a complex terrain in any locality. There appear a large number of key stakeholders and initiatives available. The information below groups together the organisations and bodies which exist at different tiers and have been identified as important in the course of the review.

3.45 National

- The Department for Work and Pensions
- The Department for Innovation, Universities and Skills.
- The Department for Communities and Local Government.
- The Department for Business, Enterprise and Regulatory Reform.
- Treasury.
- Learning and Skills Council – a non-departmental public body (who took over the roles of the former Further Education Funding Council and Training and Enterprise Councils) responsible for planning and funding education and training for everyone in England over 16 other than those in universities.
- Sector Skills Councils – who articulate the needs of their sector and ensure training and qualification frameworks represent employer demands.

3.46 Regional

- Government Office - represents Central Government across the regions, Government Office for the North East in this case. They deliver, influence and develop government programmes and initiatives at a regional and local level, working in partnership with relevant organisations, and provide feedback for central government policy development based on regional and local experience.
- Regional Development Agency – One North East – strategic leaders of economic development and regeneration in the regions. Responsible for drawing up a Regional Economic Strategy (RES) which provides a shared vision for the development of the regions economy. The Regional Employability Framework (REF) contributes to the development of the RES by providing an agenda to tackle worklessness and increase participation in economic activity. They also have the 'Single Programme' budget to give them funding flexibility.

- North East Employer Coalition - the operational arm in the North East of the National Employment Panel which advises government on labour market policies and performance. The NEEC is unique amongst the other ten coalitions in the country as it has a regional rather than city based remit. The NEEC has a mandate from Central Government to provide a mechanism for employers to engage with Government agencies at both national and local level and the opportunity to influence labour market policies. Their key areas of activity are: strategic planning, engaging employers, enhancing training provider effectiveness, working with Jobcentre plus, giving customer feedback.
- Job Centre Plus and the Learning and Skills Council have regional tiers.
- The Northern Way Growth Strategy – Pan Regional – the Three Northern Regional Development Agencies established this, working together to boost the economy of the North of England.

3.47 Sub-Regional

- Tees Valley Partnership – acts as the delivery agent for One North East in the Tees Valley in respect of both the Regional Economic Strategy and in the allocation and monitoring of their delegated resources. It co-ordinates the activities of the main agencies to ensure a 'joined up' approach to development, and monitors and implements the Tees Valley Partnership Sub Regional Programme.
- Tees Valley Unlimited – is a new economic partnership established in 2006 to make strategic decisions on economic performance of the City Region Initiative in the Tees Valley. They approve spatial and economic development, are involved in transport and housing policies. They monitor progress on the City Region programme and the implementation of the (probable) Tees Valley Multi Area Agreement.
- Tees Valley Regeneration – is responsible for the development and implementation of five key regeneration projects in the Tees Valley – including North Shore; Central Park in Darlington; Victoria Harbour in Hartlepool; Middlehaven in Middlesbrough; the south side development at Durham Tees Valley Airport. In addition to this, Tees Valley Regeneration are also examining the feasibility of a light rail transport system.
- Tees Valley Joint Strategy Unit – set up in 1996 to carry out strategic planning (in particular the Tees Valley Structure Plan); the sub-regional economic development strategy; strategic transport planning and technical support; information and forecasting service; and the management and administration of European programmes for the Tees Valley local authorities.
- Tees Valley Engineering Partnership – an engineering employer alliance set up in 2001 to provide a platform for senior managers and directors to meet and discuss common concerns. The Partnership is now supported by the Tees Valley Partnership to develop and implement a strategy for the engineering sector.
- Job Centre Plus and Learning and Skills Council operate at this tier.

3.48 Local

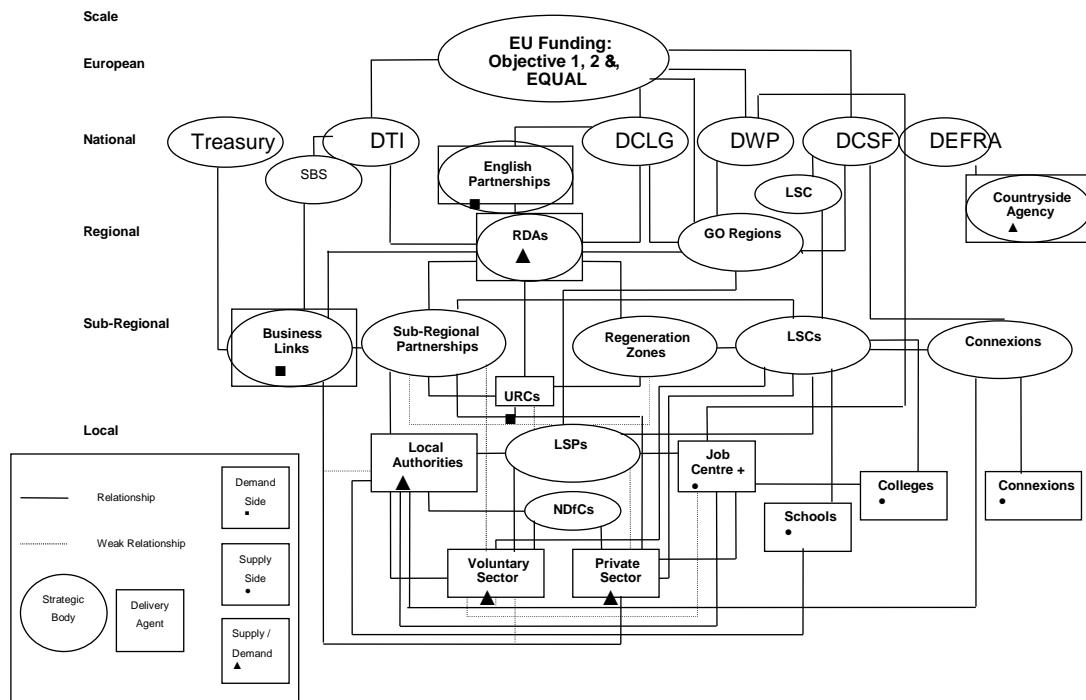
- Local Strategic Partnership – Stockton Renaissance.
- Local Authority – including service groups such as Training and Employment Services, STEPS.
- Job Centre Plus Office.

- Job Centre Plus contracted providers.
- Further Education Colleges / Training Providers / Adult and Community Education – examples in Stockton include Training and Employment Services, Stockton Adult Education Services and Stockton Riverside College.
- Voluntary and Community Groups – in Stockton the Five Lamps Organisation, Stockton International Family Centre, the Shaw Trust, and P.A.N.I.C. are examples of voluntary and community sector bodies who provide employment related initiatives.

3.49 The Organogram below expands on this by showing the number of bodies involved in employability work and the relationships between them.

TABLE 1.4.

Organogram of Employment & Enterprise in Deprived Areas



SBS = Small Business Service.
URCs = Urban Regeneration Companies.
NDfCs = New Deal for Communities.

(from Regional Employability Framework Presentation by Pat Richie, Director of Strategy and Development, One North East).

3.50 Stockton – Employability Information and Statistics

3.51 Stockton is, as made clear in this year’s Corporate Assessment, “a Borough of contrasts”. Indeed it is one of the most polarised boroughs in England: of the

117 Super Output Areas in Stockton (a new geographical mapping system for small area statistics), 17 are in the 20% most affluent wards in England, and 40 within the 20% most deprived. The information below provides key data sets for Stockton in relation to employability. These are provided both at borough level and ward level to show the contrasting employability positions found within Stockton.

3.52 TABLE 1.5.

Total Working Age Population and Total Population

	Total Population of Working Age (mid-2005 for LAs)	Total Population of Working Age as a Percentage (mid-2005 for LAs)	Total Population (mid-2007)
	No.	%	
Darlington	60,100	60.6%	99,800
Hartlepool	54,300	60.3%	89,200
Middlesbrough	85,200	61.9%	137,800
Redcar and Cleveland	83,000	59.9%	136,500
Stockton-on-Tees	116,600	62.4%	187,300
Tees Valley	398,700	61.3%	649,600
North East	1,557,600	61.6%	2,526,700
England and Wales	33,262,000	61.9%	53,690,000

Source: Audit Commission Local Authority Area Profile – Mid 2005; Tees Valley Joint Strategy Unit, Mid-2007.

3.53 TABLE 1.6.

Unemployment – Claimant Count (September 2007)

	Total	
	No.	%
Darlington	1,755	2.9
Hartlepool	2,264	4.1
Middlesbrough	3,933	4.6
Redcar & Cleveland	2,955	3.7
Stockton-on-Tees	3,534	3.0
Tees Valley	14,441	3.6
North East	48,725	2.9
Great Britain	804,078	2.2

Source: Tees Valley Joint Strategy Unit, September 2007.

3.54 This table shows the numbers of people who are unemployed in Stockton based on the claimant count, which measures only those people who are claiming unemployment-related benefits (Jobseeker's Allowance - JSA). As is

clear Stockton has the second lowest percentage of people unemployed in the Tees Valley. Stockton is over half a per cent lower than the Tees Valley average, is the same as the North East average, but is above the average for Great Britain.

3.55 TABLE 1.7.

Percentage Unemployed (percentage September each year)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Darlington	5.0	4.8	4.0	3.5	3.4	3.0	2.7	2.7	2.8	2.9
Hartlepool	7.6	7.5	5.7	4.7	4.9	4.4	3.9	3.8	4.4	4.1
Middlesbrough	7.4	7.1	6.7	5.8	5.5	4.8	4.3	4.3	4.7	4.6
Redcar and Cleveland	5.8	5.7	5.0	4.4	4.1	3.6	3.1	3.5	3.7	3.5
Stockton-on-Tees	5.8	5.8	4.9	4.1	3.8	3.4	3.0	2.8	3.2	3.0
Tees Valley	6.3	6.1	5.3	4.5	4.3	3.8	3.4	3.4	3.7	3.6
North East	5.2	5.0	4.4	3.8	3.6	3.2	2.8	2.9	3.1	2.9
Great Britain	3.7	3.4	2.8	2.5	2.5	2.5	2.2	2.3	2.5	2.2

Source: Tees Valley Joint Strategy Unit, September 2007.

3.56 The table above shows the reduction in the percentage of unemployed people since 1998 based on the unemployment claimant count (i.e. claiming Job Seekers Allowance). Stockton has experienced a reduction by half of the numbers of unemployed people between 1998 – 2005, but has experienced an average increase of 0.2% in the last two years.

3.57 TABLE 1.8.

Economically Active People

	Stockton-on-Tees (numbers)	Stockton-on-Tees (%)	North East (%)	Great Britain (%)
All people				
Economically active	87,700	77.3	75.7	78.4
In employment	83,100	73.2	70.6	74.1
Employees	75,200	66.5	64.0	64.5
Self employed	7,100	6.0	6.1	9.3
Unemployed (model based – combination of Annual Population Survey figures and Claimant Count)	5,400	6.1	6.9	5.3

Source: Nomis, October 2005 – September 2006.

3.58 This table shows the numbers of people living in Stockton who are classified as economically active. This is defined as people who are either in employment or are unemployed. 'Unemployed' is defined as people who are not in a job but who are available to start work within the next two weeks and who have looked for work in the last month.

3.59 TABLE 1.9

Economically Inactive People

	Stockton-on-Tees (numbers)	Stockton-on-Tees (%)	North East (%)	Great Britain (%)
All people				
Economically inactive	25,200	22.7	24.3	21.6
Wanting a job	6,600	5.9	6.1	5.4
Not wanting a job	18,600	16.8	18.2	16.2

Source: Nomis, October 2005 – September 2006.

3.60 This table shows the numbers of people living in Stockton who are classified as economically inactive defined as people who are not employed or unemployed. This is split into two sub-categories, people who want a job but are not classified as unemployed because they have not looked for a job in the last month or are not available to start work, and people who do not want a job.

3.61 TABLE 1.10

Worklessness (September 2007) – Estimated Numbers of People of Working Age Not in Employment

	Male		Female		Total	
	No.	Rate	No.	Rate	No.	Rate
Darlington	6,800	22%	8,400	28.6%	15,450	25.6%
Hartlepool	7,850	28.1%	9,650	36.3%	17,500	32.1%
Middlesbrough	14,600	33.5%	16,250	39.6%	31,200	36.8%
Redcar and Cleveland	11,700	27.6%	14,350	35.5%	26,250	31.7%
Stockton-on-Tees	14,500	24.0%	18,000	31.6%	32,850	28.1%
Tees Valley	-	27%	-	34.3%	-	30.8%
Great Britain	-	20.2%	-	30.1%	-	25.0%

Source: Tees Valley Joint Strategy Unit, September 2007.

3.62 The table above shows the number of people of working age who are without work for whatever reason, i.e. they are unemployed or economically inactive. The Tees Valley Joint Strategy Unit terms this the measure of 'worklessness'.

3.63 TABLE 1.11

Percentage Long Term Unemployed (Unemployed for Over One Year)

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Darlington	27.1	21.5	19.0	15.4	12.7	13.0	9.3	11.8	13.0
Hartlepool	29.7	27.6	21.8	19.2	15.5	11.3	12.4	14.1	13.4
Middlesbrough	30.2	22.1	23.4	17.6	16.1	16.2	17.2	20.2	22.2
Redcar and Cleveland	26.1	22.9	22.7	18.7	18.1	16.7	15.2	18.5	23.7
Stockton-on-Tees	28.3	22.3	21.9	16.1	14.7	12.7	13.3	12.8	15.5
Tees Valley	28.4	23.1	22.1	17.4	15.6	14.3	14.2	16.0	18.3
North East	25.1	22.7	21.3	17.4	15.1	13.7	11.5	13.6	15.1
Great Britain	24.2	21.8	19.2	15.8	14.3	14.9	13.9	14.0	16.3

Source: Tees Valley Joint Strategy Unit, March 2007.

3.64 The table above shows that Stockton has experienced a significant decrease in the number of long term unemployed people in the Borough. Only Hartlepool and Darlington have experienced greater decreases and they are both within 2.5 percentage points of Stockton's figure. Although Stockton is slightly above the percentage of long term unemployment for the region, it is below the national figure.

3.65 TABLE 1.12

Job Seekers Allowance Claimants by Age and Duration of Claim

	Stockton-on-Tees (No.)	Stockton-on-Tees (%)	North East (%)	Great Britain (%)
By Age of Claimant				
18-24	1,260	35.7	34.9	31.1
25-49	1,695	48.0	49.3	52.3
50+	555	15.7	15.2	15.7
By Duration of Claim				
Up to 6 months	2,390	67.7	67.3	67.0
Over 6 months and up to 12 months	600	17.0	17.0	17.0
Over 12 months	540	15.3	15.7	16.1

Source: Nomis, September, 2007.

3.66 The table above shows the number of Job Seekers Allowance claimants (the out of work benefit that is used for the claimant count unemployment rate) in Stockton by age and duration of claim. This highlights the problems of youth unemployment as a third of claimants are aged 18-24, but also show that the vast majority of people claim Job Seekers Allowance for less than a year.

3.67 TABLE 1.13

Key Benefit Claimants

	Stockton-on-Tees numbers	Stockton-on-Tees %	North %	East %	Great Britain %
Total claimants	20,280	17.1	19.4		14.6
Job seekers	4,040	3.4	3.4		2.6
Incapacity benefits	9,740	8.2	10.4		7.2
Lone parents	2,780	2.3	2.4		2.1
Carers	1,600	1.3	1.4		1.0
Others on income related benefits	560	0.5	0.6		0.4
Disabled	1,130	1.0	1.0		0.9
Bereaved	430	0.4	0.3		0.3

Source: Nomis, February 2007.

3.68 The table above shows the number of key benefit claimants in Stockton, and as a percentage of the working age population. Worth noting is the figure for Incapacity Benefit claimants, who make up the single biggest group of claimants. The number of Incapacity Benefit claimants is over double that of Job Seekers Allowance claimants.

3.69 TABLE 1.14

Qualifications (January 2006 – December 2006)

	Stockton-on-Tees number	Stockton-on-Tees %	Darlington %	Hartlepool %	Middlesbrough %	Redcar and Cleveland %	North East %	Great Britain %
NVQ4 and above	28,100	25.3	27.5	19.0	19.4	19.5	22.7	27.4
NVQ3 and above	52,100	47.0	46.4	40.1	41.6	41.3	42.7	45.3
NVQ2 and above	75,000	67.7	64.8	60.7	63.1	61.9	64.1	63.8
NVQ1 and above	91,100	82.2	79.9	76.5	76.0	78.0	79.2	77.7
No qualification	13,700	12.4	14.2	17.4	15.6	14.6	14.3	13.8

Source: Nomis, December 2006.

3.70 The table above is notable for the numbers of people with no qualifications. Stockton is below both the regional and national figures of people with no qualifications. Stockton is also consistently highest or second highest amongst

the Tees Valley authorities in terms of the numbers of people qualified at the different NVQ levels.

3.71 The rate of improvement amongst school leavers in Stockton is also improving, with nearly a 15% increase in the number of children achieving 5 GCSE at grades A-C since 1998 (40% in 1998 to 54.8% in 2005) (Social Futures Institute, 2007: 84). Summer 2007 saw a further increase to 60% achieving 5 A-C at GCSE. Currently, the number of economically active people qualified to Level 2 in the Borough is higher than the average for England. However, over one in six residents of working age have no qualifications and the proportion with either literacy or numeracy below Level 2 is higher than the national average. (Regeneration Strategy for Stockton Borough 2007 – 2012: 20).

3.72 TABLE 1.15

Employment by Occupation (January 2006-December 2006)

	Stockton-on-Tees (numbers)	Stockton-on-Tees (%)	North East (%)	Great Britain (%)
Soc 2000 major group 1-3	33,600	40.5	36.7	42.3
1 Managers and senior officials	11,200	13.5	12.3	15.0
2. Professional occupations	11,100	13.4	11.0	13.0
3. Associate professional & technical	11,300	13.6	13.4	14.3
Soc 2000 major group 4-5	19,900	24.0	23.7	23.0
4. Administrative & secretarial	10,500	12.7	12.3	12.1
5. Skilled trades occupations	9,400	11.3	11.4	10.9
Soc 2000 major group 6-7	14,100	17.0	18.0	15.7
6. Personal service occupations	6,700	8.1	8.4	8.0
7. Sales and customer service occupations	7,400	8.9	9.7	7.7
Soc 2000 major group 8-9	14,900	17.9	21.2	18.7
8. Process plant & machine operatives	6,900	8.3	8.8	7.3
9. Elementary occupations	8,000	9.6	12.4	11.4

Source: Nomis, January 2006 – December 2006.

3.73 The table above shows the occupational structure of Stockton as compared regionally and nationally. Breaking down these figures further, the Social Futures Institute (2007) study of Skills Issues in the Tees Valley identified that the working population in Stockton is mainly concentrated in three industrial sectors: public administration, education and health; distribution, hotels and restaurants; and banking, finance and insurance.

3.74 TABLE 1.16

Jobs Density (2005)

	Stockton on Tees (jobs)	Stockton on Tees (density)	North East (density)	Great Britain (density)
Jobs density	89,000	0.75	0.75	0.84

Source: Nomis, 2005.

3.75 The table above shows the demand for labour in Stockton. Jobs density refers to the number of people of working age to the number of jobs. A jobs density of 1 would mean that there is one job for every resident of working age. This means that Stockton overall has less jobs than residents of working age; this aligns exactly to the regional situation but it is behind the national level. However, this does not take into account that not all people of working age will be able to work.

3.76 The information provided so far has been at Borough level. However, as previously mentioned Stockton is a Borough of contrasts and these figures are not representative of some of the wards in Stockton.

3.77 TABLE 1.17

Unemployment by Ward – Highest and Lowest

	Highest Ward	%	Lowest Ward	%
Stockton-onTees	Stockton Town Centre	9.1	Northern Parishes	0.8
Tees Valley	Middlehaven (Middlesbrough)	12.1	Heighington and Conniscliffe (Darlington) Marton West (Middlesbrough)	0.6

Source: Tees Valley Joint Strategy Unit, September 2007.

3.78 These figures are from the Tees Valley Joint Strategy Unit and show the wards within Stockton and the Tees Valley with the highest unemployment rates and the lowest unemployment rates. It highlights the significant variation in unemployment rates from under 1% to nearly 10% (which is over four times the national average).

3.79 The following figures provide unemployment (Claimant Count – Job Seekers Allowance). The figure for the claimant count rate in Stockton is currently 3.0% (September 2007), which has shown a 0.6% drop from January 2007. The table below shows that there are currently six wards (highlighted) in Stockton whose overall Job Seekers Allowance rate is 5% or higher, with Stockton Town Centre ward having a claimant count unemployment figure three times that of the average for the Borough at 9.1%.

3.80 TABLE 1.18

Ward Deprivation Data – Unemployment Rate – Claimant Count; Worklessness Rate; Percentage of Working Age Population in Employment; Percentage of Working Age Population Claiming Job Seekers Allowance and Incapacity Benefit; Other Inactive People

	Unemployment Rate – Claimant Count (%)	Worklessness Rate (%)	% Working Age Population in Employment	% Working Age Population Claiming Job Seekers Allowance and Incapacity Benefits	Other Inactive Job (%)
Billingham Central	3.8	32.1	67.9	16.2	15.9
Billingham East	5.0	39.5	60.5	17.4	21.9
Billingham North	1.6	17.0	83.0	6.7	10.4
Billingham South	3.2	31.9	68.1	13.6	18.3
Billingham West	1.3	24.2	75.8	6.8	17.3
Bishopsgarth and Elm Tree	1.6	19.9	80.1	8.0	12.0
Eaglescliffe	1.3	20.5	79.5	5.0	15.5
Fairfield	1.6	23.1	76.9	6.4	16.6
Grangefield	2.0	23.2	76.8	8.1	15.1
Hardwick	5.9	40.2	59.8	19.4	20.5
Hartburn	1.0	24.1	75.9	5.6	18.5
Ingleby Barwick East	1.0	16.3	83.7	4.9	11.6
Ingleby Barwick West	0.9	11.7	88.3	3.6	8.3
Mandale and Victoria	5.0	40.6	59.4	18.8	22.3
Newtown	5.3	38.9	61.1	20.4	18.8
Northern Parishes	0.8	18.8	81.2	4.3	14.7
Norton North	4.3	36.7	63.3	15.3	21.1
Norton South	3.3	33.3	66.7	12.8	20.6
Norton West	1.3	23.3	76.7	6.9	16.4
Parkfield and Oxbridge	5.7	34.9	65.1	17.7	17.4
Roseworth	4.1	35.0	65.0	16.0	18.9
Stainsby Hill	4.2	32.0	68.0	14.9	17.0
Stockton Town Centre	9.1	48.5	51.5	32.4	16.5
Village	3.5	27.9	72.1	15.7	12.2
Western Parishes	1.4	24.4	75.6	5.9	18.3

Yarm	1.4	24.4	75.6	5.0	19.3
Stockton	3.0	28.1	71.9	11.6	16.5
Tees Valley	3.6	30.8	69.2	14.3	16.6
Great Britain	2.2	25.0	75.0	9.8	15.2

Source: Tees Valley Joint Strategy Unit, September 2007.

3.81 The table above provides a wealth of information at ward level. For clarity, the definition of these categories and measurements are provided below.

- Claimant Unemployment Rate: the number of people claiming Job Seekers Allowance divided by Tees Valley Joint Strategy Unit's estimates of the Working Age Population. This is equivalent to the 'official' claimant unemployment rate.
- Worklessness: the percentage of the working age population not in work, calculated as the economically inactive plus the unemployed. It includes students, people who do not want work, and the early retired. Changes in this are estimated by people claiming DWP income benefits.
- In Employment: the population minus the economically active minus claimant unemployed
- Unemployed: claimant unemployed.
- Unemployed and Incapacity Benefit: a wider measure of unemployment, calculated as claimant unemployed plus those receiving incapacity benefit
- Other Economically Inactive: the residual of above categories – those economically inactive for other reasons.

(<http://www.teesvalley-jsu.gov.uk/old/tvstats/index.htm>)

(<http://www.teesvalley-jsu.gov.uk/old/tvstats/index.htm>)

3.82 TABLE 1.19

Incapacity Benefit Claimants (February 2007 – but by 2003 Ward Boundaries)

Ward	Number
Bishopsgarth	250
Blue Hall	440
Charltons	355
Egglescliffe	160
Elm Tree	170
Fairfield	165
Glebe	205
Grange	240
Grangefield	235
Hardwick	320
Hartburn	175
Ingleby Barwick	340
Mandale	420
Marsh House	335
Mile House	395
Newtown	510
Northfield	140
Norton	290

Parkfield	515
Portrack and Tilery	720
Preston	75
Roseworth	400
St. Aidan's	290
St. Cuthbert's	280
Stainsby	405
Victoria	410
Village	350
Whitton	125
Wolviston	110
Yarm	200

Source: DWP Information Directorate, (DWP, 2007b).

3.83 This table shows the number of Incapacity Benefit claimants in February 2007 in Stockton. The information is under Stockton's old ward boundaries, but highlights those wards and areas that are most deprived according to the table above are also more likely to have higher numbers of people claiming Incapacity Benefits.

3.84 TABLE 1.20

No Qualifications or Level Unknown by Ward (2001)

3.85 Although this data is somewhat dated and relates to the old ward boundaries in Stockton, it does give an indication of how qualifications correspond with employment rates as those areas with high numbers of people with no qualifications relates to the areas with high levels of unemployment.

	Number	Rate (%)
Bishopsgarth	2,046	36.4
Blue Hall	1,992	46.3
Charltons	1,564	48.0
Egglecliffe	1,756	29.6
Elm Tree	1,290	37.8
Fairfield	1,120	32.2
The Glebe	1,561	32.9
Grange	1,441	50.9
Grangefield	1,287	36.2
Hardwick	1,736	54.5
Hartburn	1,513	30.4
Ingleby Barwick	2,466	20.7
Mandale	2,241	49.2
Marsh House	2,091	35.3
Mile House	2,093	54.5
Newtown	1,972	51.6
Northfield	1,347	40.2
Norton	2,326	44.3
Parkfield	2,037	49.1
Portrack and Tilery	2,172	57.6
Preston	623	28.9
Roseworth	1,873	51.0

St. Aidan's	1,556	47.1
St. Cuthbert's	1,657	41.2
Stainsby	2,060	50.7
Victoria	1,778	44.8
Village	1,875	50.8
Whitton	1,031	29.6
Wolviston	671	25.6
Yarm	1,563	24.3

Source: Nomis, 2001.

4.0 Evidence/Findings

4.1 Issue 1: 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

4.2 The first issue of the review scope concerned improving the overall employment rate in the Borough, with a particular focus on those living in wards with the worst labour market position and those claiming key benefits. This was a huge area to cover, and the Committee, both through their own knowledge and experience and through the evidence received during the review, identified the benefits and tax system as posing a particular challenge to assisting more benefit claimants back into work. As is shown in Table 1.18, wards with the worst labour market position also had the highest numbers of people claiming key government benefits.

4.3 The Committee received background information on the types of benefits and in-work support available through Jobcentre Plus and HM Revenue and Customs. These include Job Seekers Allowance, Incapacity Benefit, and Income Support as the three principal out of work benefits. For those entering work the National Minimum Wage, Working Tax Credits, Child Tax Credits, and Return to Work Credit are all available in order to make employment more financially rewarding than benefits.

4.4 The Committee received information that the Citizens Advice Bureau (CAB) provided as part of the House of Commons Work and Pensions Select Committee's enquiry into Benefit Simplification in April 2007. Welfare benefits and tax credits, the CAB stated, formed the largest client enquiry area. Specifically the CAB identified complexity in the system in terms of accessing information on benefits and eligibility, the procedures involved, the accessibility and contact available, and the length of time taken to process claims as the key problems of the benefits system (CAB, 2007: 5).

4.5 Problems identified by the CAB nationally were also considered evident in Stockton. Information received from Janine Browne at the CAB in Stockton identified the following as problems in the benefits and tax credits system to people wishing to enter work from benefits:

- Tax Credits can take time to be processed, which may result in financial difficulties for people in work;
- Occasions where there is a gap between benefits ending and a client's first wage payment can often require crisis loans.
- Some people may not be better off in work due to the loss of 'passported benefits' and the subsequent increased costs in work of prescriptions, school meals, transport, clothing, dental and opticians' costs, and caring costs.

4.6 The Committee also considered both the new arrangements for benefits post the Welfare Reform Act, which received Royal Assent in May 2007. The replacement of Incapacity Benefit with the new Employment and Support Allowance from 2008 is designed to enable more disabled people to enter work (DWP, 2007: 11). However the House of Commons Work and Pensions Select Committee (who reviewed the ESA in 2006) identified possible complexity with the different tiers of the work-based and support components of the ESA (2006: not numbered). David Freud, in his report for the Department for Work and

Pensions on Welfare reform, also identified that the benefits system remains highly complex “with different benefits for different groups, overlapping benefits, administrative costs and often confusion for the individual”. Freud also highlighted the “perverse incentives” in the benefit system that may discourage people from accessing employment (Freud, 2007: 99-101).

- 4.7 The Council has a responsibility for housing benefit and council tax benefit. The Committee identified this as another area that could act as a disincentive in leaving benefits for employment and requested information from the Benefits Service within the Council and Stockton Citizens Advice Bureau. The Committee was pleased to receive the results of the Benefits Fraud Inspectorate as part of the 2006 Comprehensive Performance Assessment which rated the Benefits Service in Stockton as excellent, exceeding the standard periods for processing new claims and for changes of circumstance, which are both top quartile nationally (BFI, 2006: Figure 1.2). The latest Best Value Performance Indicator (BVPI) customer satisfaction survey for benefits also shows Stockton as being in the top 10% nationally for overall satisfaction with the service. The Citizens Advice Bureau also stated that they have a good working relationship with the Benefits Service in the local authority and that they meet quarterly to formulate and improve working practices.
- 4.8 In terms of some of the services provided, the Committee requested information about housing benefit ‘Run-On’ which can be made available for up to four weeks where a person has moved from benefit into work. Linda Stephenson Manager at the Benefits Service stated that applications for housing benefit ‘Run-On’, forwarded electronically by Jobcentre Plus, are processed urgently (within a few days). Where a new claim is required the Benefits Service offer information and advice on the required information and how to complete forms, and will reach a decision within five days if all information is complete. In addition to this, as well as ‘better-off in work’ calculations made by Jobcentre Plus, a benefits calculator is available on the Council’s website which will calculate the amount of housing and council tax benefit a person may be entitled to, and which also includes entitlement to tax credits as part of the calculation.
- 4.9 Roland Todd, Labour Market Coordinator in Stockton-on-Tees Borough Council’s Regeneration and Economic Development Department, also raised the issue of the ‘16 hour rule’ in relation to benefit claimants access to training. Essentially this means that claimants of Job Seekers Allowance and / or Income Support are only able to access training for up to 16 hours per week, and no more than 12 days of full time (30 hour plus) training in a 52 week period, as any more time is considered to affect a claimants availability for work. Mr. Todd informed the Committee that training courses are often scheduled in such a way that participants are able maintain their benefits, although this is not always possible. Potential participants who could benefit from the training programmes are often reluctant to enter these programmes and risk potentially losing their benefits if the training is not guaranteed to result in employment.
- 4.10 The perceived poor financial incentives to entering employment, the complexity of the benefit and tax credit system, and the difficulties in undertaking training that may move people closer to employment, were all identified as potential barriers to employment therefore.
- 4.11 The Committee recognised that decisions regarding the workings of the benefits and tax credit systems were outside the Committee’s direct sphere of

influence. (In addition to this, the Committee also wished to highlight issues raised in this review concerning funding for employability related initiatives, discussed at paragraphs 4.109 – 4.110, which were also identified as outside the Committee's direct sphere of influence). The Committee received information from Hilton Heslop, Lead Partner for the Tees Valley in the Government Office for the North East who recommended that the Committee notify Nick Brown MP, Minister for the North East of England, of any higher tier problems that Stockton is experiencing. It was subsequently advised that all relevant Ministers should be informed of the problems identified as pertinent to this review and that it may therefore be more appropriate to raise these issues through the Members of Parliament for Stockton.

4.12 The Committee recommends that 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.

4.13 The Committee considered as part of the review the 'Leitch Review of Skills: Prosperity for All in a Global Economy – World Class Skills' published in December 2006, and the subsequent implementation plan formulated by the Department for Innovation, Universities and Skills in July 2007. Lord Leitch was asked by the government to "consider what the UK's long-term ambition should be for developing skills in order to maximise economic prosperity, productivity and to improve social justice" (Leitch Review, 2006: 3). As previously mentioned, the Leitch Review placed skills firmly at the centre of thinking on employability, noting that "increasingly, skills are a key determinant of employment" with the unemployment rate of those with low or no skills nearly double that of the working population as a whole (Leitch Review, 2006: 9; Commons Work and Pensions Committee, 2007: 33). The Leitch Report set challenging national skills targets for 2020:

- 95% of adults to have basic skills of functional literacy and numeracy, up from 85% literacy and 79% numeracy in 2005;
- More than 90% of adults to have gained at least a level 2 qualification, up from 69% in 2005; with a commitment to achieve 95% as soon as possible;
- To shift the balance of intermediate skills from level 2 to level 3, with 1.9 million more people achieving Level 3 by 2020;
- To deliver 500,000 people a year in apprenticeships in the UK;
- More than 40% of all adults to have a higher education qualification up from 29% in 2005.

(DIUS, 2007: 9)

4.14 The Committee received information from Val Goodrum, Partnership Director for the Learning and Skills Council (LSC) in Stockton, who included as part of her presentation details of the Leitch Implementation Plan. This included the potential interim targets of the government which should be reached by 2011 in order to meet the overarching aims for 2020. The Committee was pleased to hear that Stockton is well on its way to meeting many of these targets. For example, by 2011 79% of adults should be qualified to at least a full level 2 qualification, Stockton's figure is currently 76.9%; 56% of adults should be qualified to at least a full level 3 qualification, Stockton's figure is currently 54.3%. The Committee also received information from Marc Mason, Head of Stockton Adult Education Services (SAES) and were pleased to hear that of

those accessing services through SAES in either Adult Community Learning or Further Education, 2645 learners (over half of all learners) were from disadvantaged areas. Stewart Atkinson, Head of Training and Employment Services, also stated that 34% of TES apprentices and 44% of those accessing 'Entry 2 Employment' (a Level 1 work-based programme for people aged 16 to 18 who are not ready or able to enter an apprenticeship, employment or other vocational learning) are from the five most deprived wards in the Borough.

- 4.15 Focussing on the skills of young people is also identified as a key government target, and it was confirmed in the Queens Speech 2007 made shortly after the Committee had made its recommendations that there will be a 'Raising of the Compulsory Participation Age (RoCPA)' to 18 by 2015 (<http://www.number10.gov.uk/output/Page13709.asp>; http://www.dfes.gov.uk/pns/DisplayPN.cgi?pn_id=2007_0198). The government has explicitly linked this move with Lord Leitch's proposals, and is also setting out a £100 million NEET (Not in Education, Employment or Training) Strategy to "tackle the problem of the estimated 10% of young people categorised as NEET at any one time" (DCSF Press Release, 2007: not numbered). The information received by the Committee from the Learning and Skills Council included the most recent figures (from 2005) on participation rates amongst 16-17 year olds. Stockton has the highest participation rates amongst 16-17 year olds in education or work based learning of any of the Tees Valley authorities, but like the great majority of local authorities, experiences a drop in participation rates of 17 year olds. The initial national aim included in the 2011 targets (prior to the announcement of extending the school leaving age) was for 84% of 17 year olds to participate in full-time education by 2011. Ms. Goodrum stated that the figure for participation amongst 17 year olds in Stockton was 83%, however the figure for 16 year olds progressing into post-compulsory education or work based learning was 91%. As previously mentioned, whilst this is in no way a phenomenon exclusive to Stockton, and the reduction in numbers participating in education or work based learning at 17 is a national problem, this is something the Committee identified as an issue of vital importance if Leitch's skills targets are to be met.
- 4.16 The Committee recognised that this figure is classified as those young people whose position is 'not known'. This may therefore simply reflect young people entering employment, but it also suggests that some of those in this 8% drop could become NEET. The Committee felt that engagement in education and training opportunities and the development of skills leading to qualifications were essential in terms of the employability of Stockton's young people. The Shared Intelligence Report on 'Scoping a City Regional Approach to Worklessness' in the Tees Valley also identified "a significant gap in support for the 16-18 age group" with the number of young people who are NEET remaining "stubbornly higher than the regional or England average" (Shared Intelligence, 2007: 28). The Committee also considered information contained in the Learning and Skills Council's Tees Valley Annual Plan for 2007/08. This stated that despite the numbers of those classified as NEET and 'Not Known' (for March 2006) both reducing significantly compared to the same period in 2005, "the volume of young people not engaged in education, training or employment still remains far too high [in the Tees Valley] at 2,169 and is a key priority for 2007/08". The LSC also identify drop out at 17 as a key issue across all areas of the Tees Valley (LSC Tees Valley Annual Plan, 2007/08: 4).

- 4.17 The Committee learnt that there is currently a decreasing number of jobs requiring low skills, and gained an insight from Mr. Malcolm Potter from the Tees Valley Engineering Partnership, a major occupational sector within the Borough, of the higher levels of skills required by the engineering industry and the amount of money, estimated at £5 billion nationally, that the industry will spend on its own in-house training and development.
- 4.18 The Committee was also made aware by Stewart Atkinson from Training and Employment Services of the new 14 -19 strategy for which the local authority, along with the Learning and Skills Council in Stockton will be responsible for. Local authorities and the local Learning and Skills Council must ensure that all courses through the new 14-19 Diploma are available in the local area. These are employer led and designed to reflect sectors of the economy and include, for example, Construction and the Built Environment and Engineering. They combine functional employability skills with theoretical and practical learning and include a "vital" work experience element (DCSF, 2007a: not numbered). This means that Stockton, like all local authorities, will increasingly be taking a lead on the skills agenda for young people, with funding transferred from the Learning and Skills Council to local authorities for sixth forms and the 14-19 contribution to Further Education Colleges (Treasury 2007 PSA Delivery Agreement 10: 20-23).
- 4.19 In light of this **the Committee recommends that the Learning and Skills Council include a focus on retention and engagement within the new strategy for 14-19 year olds.**
- 4.20 In addition to this, the Committee felt that participation in apprenticeships and employment amongst young people in Stockton should be further extended, in an attempt to ensure that even fewer young people become NEET. Therefore **the Committee recommends that Stockton-on-Tees Borough Council and the Learning and Skills Council continue to promote and develop youth employment and apprenticeships in Stockton Borough.**
- 4.21 Jonathan Spruce from the Tees Valley Joint Strategy Unit provided information to the Committee on the Tees Valley City Region. The Tees Valley City Region initiative was formulated in response to The Northern Way growth initiative, launched in 2004. This set out the Government's proposals to bridge the £29 billion output gap between the North and the rest of the UK and was developed by the three Northern Regional Development Agencies. The Northern Way aims to drive economic growth in the North through eight City Regions working together on 10 investment priorities, which include bringing more people into work, meeting the skills needs of employers, capturing a larger share of global trade, and creating sustainable communities (Tees Valley City Region Development Programme, May 2005: 4). The government define a City Region as "a central urban area, or two or more closely linked urban centres, together with those areas around them with which they have significant interaction" (Tees Valley City Region: A Business Case for Delivery, 2006: 6).
- 4.22 The Tees Valley City Region Development Programme was first commissioned by One North East (the Regional Development Agency for the North East) and prepared by the Tees Valley Joint Strategy Unit in May 2005, with a Business Case being prepared and submitted to the Secretary of State for Local Government and Communities in October 2006. Under the City Region initiative Tees Valley Unlimited has been established as a new economic

partnership and tasked with making strategic decisions on economic performance of the City Region.

4.23 The Tees Valley Business Case identified the economic base of the Tees Valley in terms of it being the “largest integrated heavy industrial complex in the United Kingdom” which consists of three main industries: petro-chemicals, engineering and logistics (Tees Valley Joint Strategy Unit, 2006: 6). These kinds of industries, as well as attracting and developing other sectors in the Tees Valley, are the key aims of the City Region initiative.

4.24 Mr. Spruce stated that the City Region initiative was beneficial as it is spatially the most appropriate level to drive economic performance, and that research commissioned by the (then) Office for the Deputy Prime Minister supported this. An example of this is provided below.

“The economic logic for a city-regional component to policy-making has become more powerful as the economic performance of cities has become increasingly critical to that of the regions in which they sit. Across the country, Gross Value Added (GVA) data now show that the major City-Regions outperform their regions and show higher rates of growth in GVA”.

(Marvin et al, 2006: 5-6, 41-43).

4.25 Stockton is already committed to the Stockton-Middlesbrough Initiative (SMI) which seeks to “bring life back to the heart of the City Region which will be more competitive than Stockton and Middlesbrough acting separately” (Tees Valley City Region: A Business Case for Delivery, 2006: 40). The Stockton-Middlesbrough Initiative is designed to provide the “City Core” to the Tees Valley City Region and is the key strategy for regeneration and economic development in the Borough. Stockton’s development priorities are linked to the Tees Valley Investment Plan which will be delivered by Tees Valley Unlimited. The SMI includes major re-development at the North Shore site, as well as Portrack Lane, Maze Park, Tees Marshalling Yards, Portrack Marshes and Haverton Hill. Other development projects include the Green Blue Heart Project, and Billingham and Thornaby Town Centres.

4.26 In terms of economic development therefore there are clear examples of collective working amongst the Tees Valley authorities. Mr. Spruce was keen to emphasise the benefits this could bring in terms of developing the economic assets of the Tees Valley, the increased lobbying power of the sub-region and the development of new coordinated activity in terms of transport and housing. Stockton is at the forefront of this development and the Borough is set to experience major physical regeneration and further economic growth. Indeed the Committee was made aware of the Tees Valley’s pioneering use of a Multi Area Agreement, which may be one of the first signed in the country, to develop the City Region plan and better assure certainty and flexibility of funding and commitment from national, regional and local stakeholders.

4.27 Mr. Spruce also informed the Committee of the creation of an Employment and Skills Board as part of the governance arrangements of Tees Valley Unlimited. Roland Todd provided information on the Boards remit: identifying the key skills of the City Region and the programmes designed to meet these, how to tackle issues of employability and the 20% of the working population in the Tees Valley with no qualifications, and the flexibilities and freedoms necessary to meet the Tees Valley’s skills needs whilst also supporting national objectives.

Employability issues are a clear concern within the City Region initiative therefore. Indeed the Committee was provided with a document by John Lowther, Director of the Tees Valley Joint Strategy Unit written by the research group Shared Intelligence and entitled 'Scoping a City-Regional Approach to Worklessness'. This provided the Committee with a range of useful information on employability activity in the Tees Valley, especially in terms of duplication and gaps in provision.

- 4.28 Mr. Todd further informed the Committee of examples of work across the Tees Valley coordinated by the respective Regeneration and Economic Development Departments. 'Building Futures' is Single Programme funded and is a collaborative Intermediate Labour Market (ILM) project for the Tees Valley focussing on the construction sector.
- 4.29 Intermediate Labour Markets are utilised for the longer term unemployed in recognition that some people do not participate in the mainstream labour market, and that employers tend to recruit those who have been out of work for a short time or who are new to the labour market. The objective of the ILM is to provide a parallel (intermediate) labour market where the long-term unemployed can gain 'employability skills' to compete effectively for mainstream employment (Marshall and Macfarlane, 2000: 2).
- 4.30 The five local authorities in the Tees Valley work with partners including Construction Skills (formerly CITB), Tees Valley Learning and Skills Council, Jobcentre Plus and the Further Education Colleges to develop employment initiatives to tackle unemployment. The initiative identifies a need to meet the demand for skills in the construction sector, taking into account housing stock transfer within local authorities, the establishment of arms length management organisations (ALMO's) to manage long-term refurbishment, and new build and demolition of housing stock across the Tees Valley.
- 4.31 The initiative assists the long term unemployed from training to ILM activity. Skills and experience assessments are undertaken at the outset to establish training requirements and link people to appropriate employment. Opportunities to gain further mainstream qualifications are also available (Tees Valley Partnership, 2007: http://teesvalleypartnership.co.uk/delivery_plan/31.html).
- 4.32 Tees Valley Works in the Community is co-financed by the Learning and Skills Council and the Tees Valley local authorities and targets resources across the Tees Valley with the Voluntary and Community Sector to assist people claiming benefits, those in wards with the worst labour market position and those considered the 'hardest to help'. The initiative seeks to improve coordination of employer engagement and provide customised training delivered by a range of voluntary and community sector groups. The provision links with job creation opportunities within each of the local authorities. Tees Valley Works for Women is also co-financed by the Learning and Skills Council and provides community based personal development programmes aimed primarily at unemployed women aged 16-65.
- 4.33 In addition to this, the Enterprise Academy has been developed by Stockton and Middlesbrough Councils and Middlesbrough Football Club and is designed to give young people information on business and enterprise and promote self employment. This involves a 10 week programme for 14-16 year olds introducing the business aspects of running a football club, followed by a

second stage for 17-19 year olds which builds on this and focuses on entrepreneurship.

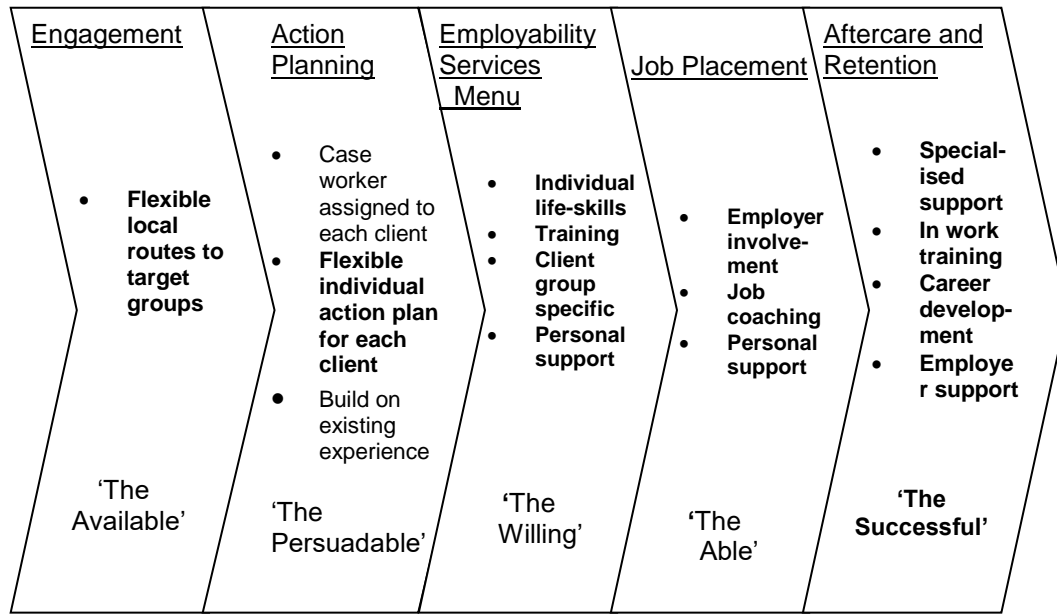
- 4.34 Mr. Todd also informed the Committee that the five Tees Valley local authorities have been successful in the Pre-Qualification Questionnaire (PQQ) of the European Social Fund / Learning and Skills Council co-financing round for the new objectives set for 2007 – 2013. As previously mentioned, the European Social Fund for 2007 – 2013 has two new priorities which are related to employability. Priority 1 is to extend employment opportunities, specifically to “people who are unemployed or have become inactive in the labour market...in particular, it focuses on people who are most likely to face disadvantage or discrimination” these include people with disabilities and health conditions; lone parents; people aged over 50; ethnic minorities; people without good qualifications; and young people not in education, employment or training (NEET). Priority 2 is to develop a skilled and adaptable workforce, focusing on people in the workforce who lack basic skills or good qualifications, especially those who are least likely to receive training, and managers and employees in small firms to develop business growth and innovation (http://www.esf.gov.uk/introduction_to_esf/).
- 4.35 The Committee considered that there is currently a great opportunity to build on the coordinated work of the Tees Valley local authorities Regeneration and Transport Departments. The Committee also recognised that the Employment and Skills Board of Tees Valley Unlimited is at a very early stage in its operational development, but welcome the fact that there is clearly an agenda to align action to improve employability as part of the City Region initiative’s economic development.
- 4.36 The Committee felt that the findings contained in this report may offer some additional information for the Employment and Skills Board and further highlight the good practice throughout the Tees Valley which has already been developed. **The Committee recommends therefore that 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.**
- 4.37 The initiatives listed above are just a small number of those currently in operation in Stockton. The Committee recognised that great efforts are made to ensure that employability initiatives are mapped by the Regeneration and Economic Development Department (see APPENDIX A) and other organisations who informed the review including Jobcentre Plus, the Learning and Skills Council and the Voluntary and Community Sector bodies. These are mapped to ensure that the needs of different client groups and the most deprived areas in the Borough are effectively addressed. The mapping also reflects the five pillars of the Regional Employability Framework, which are shown below:

4.38 TABLE 1.21

Employability Services Model

Effective Incentives

CLIENTS



**Effective Case Management:
Common Reporting, Definitions and Tracking System**

EMPLOYERS

(Adapted from Employability Action North East (the Regional Employability Framework) Final Report, February 2007: 7).

4.39 The Regional Employability Framework was created by One North East, Government Office North East, the Learning and Skills Council North East, Jobcentre Plus and the North East Employer Coalition. It is designed to contribute to the Regional Economic Strategy by reducing worklessness and increasing participation in economic activity with the aim of getting an additional 80,000 people in the region back into work by 2016. It is proposed that the Regional Employability Framework should be adopted by the key funding and delivery partners across the North East and should be evident at local, sub-regional and regional level.

4.40 Effective coordination of work enables effective service development. However this review highlighted an area that is not currently targeted specifically through provision in Stockton and should be included as a priority. The Committee was informed by Lynne Wood, Pathways to Work Manager at Jobcentre Plus, that Pathways to Work will not target existing Incapacity Benefit claimants. In Stockton's case this means those who were claiming before October 2005.

Only new and repeat claimants after this date will be targeted under Pathways to Work, although existing claimants will be able to voluntarily access services.

- 4.41 The Committee identified the importance of ensuring more Incapacity Benefit claimants enter employment. In 2005, there were 2.7 million people of working age receiving Incapacity Benefit which, to put it in context, is greater than the combined total of unemployed people on benefit and lone parents, and is more than 7% of the working age population (House of Commons Work and Pensions Committee, 2006: not numbered; DWP, 2002: 5). Within Stockton this figure is at 8.2% of the working age population, equating to 9,740 people. DWP data collected on the numbers of people claiming Incapacity Benefit in Stockton in February 2007, but under the old ward boundaries, shows that the most deprived areas of Stockton such as Portrack and Tilery, Newtown and Mandale have significantly higher numbers of people claiming Incapacity Benefits than other wards in Stockton (DWP, 2007b: <http://83.244.183.180/NESS/BEN/ibsda.htm>). The government also state that off-flow from Incapacity Benefit is very low, and that once an individual has been on benefits for 12 months they have a one in five chance of returning to work within five years (DWP, 2005: 11-12). The government's Green Paper on welfare reform also identified that after two years on incapacity benefits a person is more likely to die or retire than find a new job (DWP, 2006: 3).
- 4.42 According to government estimates however, over 750,000 of the people receiving Incapacity Benefit would like to work (Commons Work and Pensions Committee, 2006: not numbered). Ms. Wood also informed the Committee of medical research which indicates that work can aid recovery or prevents deterioration of a condition related to a disability or a limiting long term illness, and that the principal barriers to employment for many disabled people or those with a limiting long term illness are a loss of confidence, a lack of skills and a lack of financial incentive.
- 4.43 The numbers of people claiming incapacity benefits trebled between 1979 and 2002, but with no worsening of the UK population to account for the increase (in fact most objective measures of health, e.g. life expectancy and morbidity rates, have shown notable improvements over the same period). The key factors contributing to this rise identified by the government include: economic trends (industrial decline, the 'boom and bust' of the UK economy which led to "many people losing all contact with the labour market", esp. older workers and the low skilled); benefit administration (decline in the amount of contact and support a person on incapacity benefits received, in marked contrast to the additional contact and support people on unemployment benefits received); and demographic changes (an ageing population who are more likely to claim incapacity benefits) (DWP, 2002: 7).
- 4.44 Ms. Wood referred to government research which identified in 2005 that three-quarters of those who had been on incapacity benefits for less than two years did not have severe conditions and that the prospects of an eventual return to work was good. Nearly two-thirds of Incapacity Benefit claims are due to three main, moderate conditions including: mental/behavioural disorders (35%) primarily depression, anxiety and other neuroses rather than schizophrenia or severe learning disabilities; musculo-skeletal disorders (22%) primarily back/neck pain rather than conditions such as severe arthritis; and heart/circulatory disorders (11%) primarily complications with high blood

pressure, angina or chronic bronchitis rather than severely limiting heart or lung disease (DWP, 2005: 12).

- 4.45 The Committee identified issues surrounding mental health as particularly important as it forms the condition most prevalent amongst Incapacity Benefit claimants. Catherine Whitfield, Public Health Advisor for Mental Health and Social Inclusion at North Tees Primary Care Trust informed the Committee of the extent of mental health problems in the population, with one in six people affected by mental health problems, but that severe mental health problems such as schizophrenia affect 1 in 200 adults per year. In terms of Incapacity Benefit claimants, currently the number of claimants citing mental health problems is twice the figure of 1995. Mental health problems can have a variety of impacts on peoples' lives and employment is no exception. Ms. Whitfield informed the Committee that less than one in four adults with mental health problems work, people with mental health problems are less likely to have vocational qualifications and those in work are at double the risk of losing their job. Ms. Whitfield also provided data showing that there was a higher prevalence of suicide amongst the unemployed in Stockton, and that in 2003-04 whilst the number of people in employment dying by suicide reduced by 20%, the figure for those who were unemployed rose by 57%. The Committee were also provided with a briefing paper with evidence of employment as a beneficial part of the recovery process and in managing mental health problems.
- 4.46 Ms. Whitfield also provided health profiles for every ward in the Borough, which showed that those in more deprived wards were more likely to suffer from poor health. For example, Stockton Town Centre and Mandale and Victoria wards had a higher incidence of lifestyle health risk factors and were more likely to have a limiting long-term illness than Northern Parishes or Ingleby Barwick wards.
- 4.47 The Committee was provided with a full briefing on the structure of the Pathways to Work programme. It was initially piloted in 2003 and is to be rolled out nationally from April 2008. Pathways to Work includes six mandatory Work Focussed Interviews for those making a new claim for Incapacity Benefit (or Employment and Support Allowance as it will be known from 2008), with possible benefit sanctions if a person does not attend. A 'choices' package consisting of employment programmes such as the New Deal for Disabled People; the 'Condition Management Programme' (delivered through NHS Trusts); a £40 a week Return to Work Credit available for up to a year; access to in-work support (for individuals and employers) including job coaches, occupational health support, and financial advice; and day one access to a New Deal programme for Incapacity Benefit customers moving onto Job Seekers Allowance. The Employment and Support Allowance (ESA), introduced in the Welfare Reform Act (2007), will replace Incapacity Benefit for new claimants from October 2008. The ESA will have a new structure, incorporating both a contributory allowance and an income-related allowance (similar to Job Seekers Allowance). Following an assessment that a person is "limited in their capability for work because of their physical or mental condition", claimants will be entitled to either a 'work-related activity component' or a 'support component', in respect to the work related conditionality attached to the benefit. These could include claimants undertaking either work-focused health-related assessments; work-focused interviews; or work-related activity. Those entitled to the support component are specifically excluded from the

requirement to undertake work-focused health-related assessments, work focused interviews and work-related activity. However the Government's intention is that where appropriate, those receiving the support component should be able to volunteer to take part in these if they wish to do so (House of Commons Work and Pensions Committee, 2006; DWP, 2007c). As the ESA is only for new claimants the support offered to existing Incapacity Benefit claimants appears to remain unaltered by this change in the benefit structure.

- 4.48 Ms. Wood reported on the success of Pathways to Work in the Tees Valley. Since October 2005 Jobcentre Plus has identified and contacted over 15,000 clients in the Tees Valley for a first Work Focussed Interview with 2795 of these coming from Stockton; 1261 clients have accessed the Condition Management Programme, with 130 from Stockton; and 1503 clients have received Return to Work Credit, 309 coming from Stockton.
- 4.49 The Committee was pleased to hear of the success of the Pathways to Work programme in Stockton and the Tees Valley. However, as previously mentioned this is only available to those clients who made new or repeat claims after October 2005, and will not apply to existing Incapacity Benefit claimants (i.e. those who applied before October 2005). The Committee was supplied with a report by Stephen Evans (2007) of the Social Market Foundation which showed the importance of ensuring that people with a disability are included in the drive to develop the nation's skills and employment rate. Evans identified that it will not be possible to reach the 80% employment goal without helping more disabled people into work.
- 4.50 As previously mentioned, the Tees Valley Joint Strategy Unit provided the Committee with a draft report on 'Scoping a City Regional Approach to Worklessness'. The report identified a series of gaps in provision throughout the Tees Valley. One important gap identified was the insufficient capacity to assist the existing Incapacity Benefit claimants as the Pathways to Work programme is focussed primarily on new claimants. The Committee identified therefore that work with existing Incapacity Benefit claimants is a priority in Stockton as there currently does not appear to be any specific activity in relation to this group (Shared Intelligence, 2007: 25).
- 4.51 This has not always been the case however, as one of Stockton's Local Public Service Agreement Targets was to support more people claiming Incapacity Benefit into work. Action in relation to this target was funded by the (then) Office of the Deputy Prime Minister and Jobcentre Plus, and provided two specialist advisers based in (what were) Action Teams for Jobs delivering information, advice and guidance to people in receipt of incapacity benefit. A discretionary grant to provide back to work funding was also part of this initiative. The initiative assisted 69 Incapacity Benefit claimants into training and 172 into employment over a 15 month period. Over half of those assisted through this initiative had been claiming Incapacity Benefit for long periods, between 18 months and 10 years, with the single largest group assisted being those claiming for 3-5 years. The Committee considered therefore that Stockton has developed good practice that could be built on when future funding becomes available.
- 4.52 The numbers of people claiming Incapacity Benefit, the devastating effect unemployment can have on the lives of people with disabilities or limiting long term illnesses alongside the corresponding beneficial effects that work can

have in managing disabilities or limiting long term illnesses, and the current lack of employability initiatives targeted at existing Incapacity Benefit claimants led the Committee to identify this as an area for development. **Therefore, the Committee recommends that 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.**

- 4.53 The Public Sector is the biggest employment sector (25 per cent) in the Borough, which includes the local authority and NHS. As one of the largest employers within the Borough the Council formed one line of enquiry during this review. The Council's employment practices were raised as an issue by a number of attendees and the Committee invited Julia Spittle Head of Human Resources; Jamie McCann, Head of Direct Services; and Richard Bradley, Care for Your Area Service Manager, to advise on the role of the Council as an employer.
- 4.54 The Committee was provided with briefing papers on a variety of national initiatives and examples of individual local authorities' employment practices in relation to this. Relevant information was also supplied to Ms. Spittle, Mr. McCann, and Mr. Bradley who offered their opinions regarding these.
- 4.55 The Committee was provided with information on the Jobs Pledge / Local Employment Partnerships which were introduced in the 2007 Budget Statement and highlighted in the DWP Green Paper 'In Work, Better Off: Next Steps to Full Employment' published in July 2007. They are designed to assist people at most disadvantage in the jobs market (long-term benefit claimants) into job opportunities, and initially focussed on the retail sector. The Partnerships are between employers and Job Centre Plus and measures by employers should include some or all of the following:
- Offering 2-4 week Work Trials to a given number (determined by the employer) of local benefit claimants;
 - Offering a target number of places for New Deal participants wishing to participate in the subsidised employment option or wishing to take up work experience or work placement;
 - Working with Jobcentre Plus and the Learning and Skills Council on the design of pre-employment training to ensure that it is relevant to employers' needs, and agree, when hiring, to guarantee interviews or jobs to local benefit claimants who complete this training;
 - Encouraging employees to volunteer to provide one-to-one mentoring for long term benefit claimants to help prepare them for work;
 - Reviewing application processes to ensure that local benefit claimants are not inadvertently excluded by, for example, requirements for qualifications, or overly complicated procedures and are able to discuss any needs they have for flexible working patterns.
- 4.56 Jobs Pledge / Local Employment Partnerships have been established nationally with a number of employers, a brief list was provided in the background section (pp. 28). Some of the employers who had committed to the Jobs Pledge as of July 2007 included Tesco, Marks and Spencer, B & Q, HBOS, Salford Royal Hospital NHS Trust, BUPA, Debenhams, ASDA, Sainsbury, Transport for London, Greggs, John Lewis, Primark, Wilkinsons, McDonalds, Whitbread, Securitas, Standard Life, Network Rail, Vodaphone, and Carillion. In the Tees Valley, Middlesbrough Council has signed a Jobs

Pledge / Local Employment Partnership (DWP 2007a: <http://www.dwp.gov.uk/mediacentre/pressreleases/2007/jul/emp039180707.asp>).

- 4.57 The Committee was also informed by Lynne Wood from Pathways to Work at Jobcentre Plus of Jobs Pledge activity at Marks and Spencer at Teeside Park. The 'Marks and Start Model' assisted two Pathways to Work clients from the Stockton area into employment with Marks and Spencer. This was also 'approved training' which did not have an impact on the participants benefit, so there was little risk to the client in undertaking the training.
- 4.58 The government are currently aiming for major employers in the private and public sectors to offer a quarter of a million job opportunities to people who are disadvantaged in the labour market with support from Jobcentre Plus and the Learning and Skills Council (DWP, 2007: 35).
- 4.59 The Committee also received information on the Skills Pledge, which complements the Jobs Pledge / Local Employment Partnerships. Through the Skills Pledge employers commit to support their employees to improve their skills and become better qualified. As a minimum, this means supporting all employees who require them to gain literacy and numeracy qualifications, and work towards achieving their first full level 2 qualification in an area that will be valuable for the employer. In return employers making the Pledge will have access to Train to Gain, including the support of the brokerage service and literacy, numeracy and first full level 2 training for their staff (DIUS, 2007: 54; Cabinet Office Skills Pledge Leaflet, 2007: 3).
- 4.60 As previously mentioned, more than 150 employers have already made the Skills Pledge, including all Central Government Departments, the armed forces, the police force, Ford, McDonalds, and Sainsbury's, with more than 1.7 million employees covered by the Pledge. The government aim to continue to develop the programme to encourage take up of the Pledge by working with a wide range of bodies that can act as advocates of the Skills Pledge, including employer organisations, local authorities and others (DIUS, 2007: 55-56).
- 4.61 In addition to the Jobs and Skills Pledges, the Committee were provided with information on the Corporate Alliance Employer Pledge (Exit to Work) which is led in the region by the North East Employer Coalition and which seeks to engage more employers in developing an understanding of the potential of ex-offenders as employees. It recommends that employers complete a 'pledge' stating how they are willing to support the Alliance and what they expect in return.
- 4.62 Employers can get involved by:
- Making employment practices more inclusive and considering job applications from offenders.
 - Contributing to developing the skills and employability of offenders in order to fill skills shortages.
 - Provide serving prisoners with work opportunities and those who serve their sentence in the community with work experience.
 - Providing mentoring; CV writing and interview training; financial management training; goods, equipment or unpaid work; sponsoring vocational training or rent deposit schemes.

- 4.63 The Corporate Alliance initiative includes a number of potential benefits that may assist the Council, primarily in terms of reducing re-offending. The Corporate Alliance also stress the business case of the initiative in that it provides accesses to a potential pool of job ready employees with a dedicated support services.
- 4.64 The Committee was pleased to hear that employees in Direct Services currently have access to a teaching unit and a large number of employees already have Training and Development Plans. Ms. Spittle informed the Committee that the Council is committing to the Skills Pledge and that the Council are currently in discussion with the IDeA concerning the Skills for Life initiative (the national strategy for improving adult literacy and numeracy in England) which will be integrated into an action plan and incorporated into the Workforce Development Plan alongside the Skills Pledge from April 2008. The Committee was also informed that Mr. McCann and Ms. Spittle had both developed links with the Corporate Alliance, and Ms. Spittle stated that there is currently an agreement in principle to sign up to the Corporate Alliance. Ms. Spittle stated that the Jobs Pledge had not yet been considered by the Council but that this is something that will be examined in the future.
- 4.65 The Committee considered that the Jobs Pledge and the Corporate Alliance both enable the Council to work in partnership with Jobcentre Plus and the Corporate Alliance / North East Employer Coalition to target recruitment at Stockton residents who are considered the 'hardest to help' and / or live in wards with the worst labour market position and / or are claiming key government benefits.
- 4.66 The Committee therefore recommend that the Council sign a Jobs Pledge and enter a Local Employment Partnership, and continue to support the Corporate Alliance strategy for ex-offenders.**
- 4.67 The Committee was provided with information on a variety of practice in different local authorities in respect to employing residents of their areas. These included Manchester City Council, who provided information on the recruitment practices and the limiting of entry level clerical, administrative, manual and trainee positions to residents of the City. This was done in recognition of the high unemployment rate in Manchester. Manchester supplied the Committee with a letter it sends out to applicants for jobs from outside the City. This showed how the Council's employment practices can impact on its other aims and objectives, as Manchester identify their employment practices contributing to regeneration strategies.
- 4.68 The Integrated Recruitment and Employment Scheme is also an initiative utilised by Manchester City Council. The Council work in partnership with Jobcentre Plus and local training providers. Jobcentre Plus clients who participate on the scheme undertake 'work ready' training for two weeks and an 'interface' with recruitment managers at the Council. If successful they enter employment with the Council for a six month probationary period during which they receive mentoring, support and training facilitated by the Council. If they are successful during this they can then be appointed into permanent positions.
- 4.69 The Committee also received information from Gateshead Council on the 'Gateway to Gateshead' initiative. This was established as a partnership between Economic Development and Human Resources at Gateshead

Council, the North East Employer Coalition (who primarily funded the initiative), Gateshead College and Job Centre Plus. It was designed to assist unemployed and unwaged local people to apply for entry level jobs with the Council in recognition by Human Resources that residents of deprived wards in Gateshead were not accessing employment opportunities with them. The scheme attempted to target those experiencing multiple barriers to employment including those with health problems or disabilities, the long-term unemployed, over 50's, and lone parents.

- 4.70 The project was purposely kept as a small, pilot initiative and Human Resources identified three areas (social care, administration, and cleaning services) where vacancies were available and could be used to secure employment for Gateway to Gateshead clients.
- 4.71 New marketing strategies and re-designed application forms were implemented. Successful applicants then took part in a two day training course leading to a guaranteed interview to determine if they progressed to the next stage. The course included information on how to complete the application form and interview techniques.
- 4.72 After interview, 20 successful clients attended a further six week training course including a one week placement with the Council. On completing the six week training course clients were offered employment with a further customised training programme.
- 4.73 In September 2005 16 of the 20 people gained employment with the Council and those who did not were offered help by the Job Linkage Team. 12 people out of the 16 remained in employment after 6 months. Two clients were dismissed due to poor attendance and two left due to unforeseen circumstances. However the course has been extended to leisure services and a second training programme has been introduced with guaranteed interviews for those applying for jobs as cleaners and leisure attendants in all Council owned leisure facilities. This offered training for 15-20 people to fill the recruitment needs of Leisure Services.
- 4.74 Like Gateway to Gateshead, the North East Employer Coalition funded the secondment of a member of Job Centre Plus to work with Sunderland Council's Human Resources department to streamline recruitment practices and make application forms more user friendly, based to a greater extent on competencies and abilities rather than qualifications. As part of this, the Council decided to operate a 6 month pilot for Block Recruitment of Administration Posts. The initiative opened up employment opportunities for Job Centre Plus' priority clients and the Council estimated savings of up to £50,000 per year in recruitment costs.
- 4.75 Other examples of local authorities' employment practices included Nottinghamshire County Council who work with Job Centre Plus and ring-fences all scale 1 and 2 jobs for New Deal recruits for all departments; Bristol City Council who in 2003 routed its vacancies through Job Centre Plus to encourage applications for people on New Deal programmes; and Knowsley Metropolitan Borough Council who, in 1998, launched the 'Knowsley Deal' to recruit 140 young people over 12 months. This initiative remained in place until 2003 and continued to recruit 80 young people each year.

- 4.76 There is therefore a wealth of differing recruitment and training practices which local authorities have developed to increase the number of residents working for them who are either claiming benefits, live in wards with poor labour market positions or are considered the 'hardest to help'.
- 4.77 Information on these initiatives was provided to Julia Spittle who commented that the Council already does some work in this area. For example, all the Council's jobs are advertised with Jobcentre Plus, and the Council has agreed to place an advert in 'Jobs Fresh', an annual careers journal supported by the DWP. The Council also participates in the 'Positive about Disabled People' Scheme and guarantees an interview to disabled people who satisfy the job criteria. Through the Human Resources People Strategy Action Plan the Council plans to develop a strategy to increase recruitment amongst hard to reach groups; improve partnership working to maximise employment opportunities for hard to reach groups; modernise the recruitment process, including devising job profiles based on competencies; improve workforce data to inform the development of targeted strategies; and develop succession planning policies.
- 4.78 The Committee was pleased to hear that these kinds of developments were planned for at Stockton. Ms. Spittle also advised the Committee that the support required by some employees potentially targeted through the initiatives discussed above would require considerable commitment by the Council in terms of dedicated resources which the Human Resources Department would be unable to apportion in the short to medium term. Ms. Spittle also advised that these kinds of initiatives may be locality specific and there should be no presumption that they will inevitably work in Stockton. Ms. Spittle therefore advised that time should be taken to research what might work best for Stockton and identify possible sources of funding to potentially implement initiative(s).
- 4.79 The Committee considered that these initiatives may assist as part of this research and wish to highlight them to Human Resources.
- 4.80 Evidence was received concerning the number of disabled employees and ethnic minority employees at Stockton-on-Tees Borough Council. Ms. Spittle reported that 1.57% of Council employees declared themselves as having a disability, but from Census data 19.9% of Stockton residents reported having a disability or limiting long term illness. However, employees are only asked for information regarding disability or limiting long term illness at the start of employment, and it is self declared. Ms. Spittle therefore suggested that the actual figure for the disability profile at Stockton-on-Tees Borough Council may be higher as people may become disabled or develop a limiting long-term illness after entering employment with the Council, and some people may choose not to declare that they have a disability or limiting long term illness. As previously mentioned, part of Human Resources' strategy is to improve workforce data which will potentially give a more accurate picture of the Council's disability profile.
- 4.81 According to the 2001 Census, the Black and Minority Ethnic (BME) population in Stockton is 2.8% of the total population. Information from Stockton-on-Tees Borough Council Race and Ethnicity Profile shows that in Great Britain in 2004 58.9% of people of working age from ethnic minorities were in employment, compared to 74.6% of the population as a whole. However it should be noted

that there are distinct differences in the employment rates of different ethnic groups contained within the figure for BME employment. The BME employment rate within Stockton was 58.9% in 2004/05, equal to the national rate, and 3.6% above the rate for the North East (55.3%), but below the figure for the overall employment rate in Stockton in 2004/05 which was 73.25%. Overarching issues of ignorance and intolerance that some people from ethnic minority communities may face in relation to employment were highlighted by Sacha Bedding from Stockton International Family Centre. In terms of the percentage of Stockton-on-Tees Borough Council employees from the BME community, in 2005/06 this was 1.21% which is below the all England average of 4.7% (in 2004/05), and that of the Stockton population (2.8%). However, it should again be noted that 7% of employees either did not state their ethnic group or were classified as unknown.

- 4.82 Ms. Spittle also provided an age profile of the Council. 1.02% of Council employees are aged 16-19 while 12.95% are aged 20-29. Over two thirds of the Council workforce is aged 40-65. The ageing workforce nationally was raised as an issue by Roland Todd of the Regeneration and Economic Development Department. This age profile was highlighted as typical for local authorities, and Ms. Spittle stated that Human Resources would be looking at ways to attract more young people to apply for positions.
- 4.83 In relation to this, Sue Maddison, Joint Strategic Commissioner: Drugs, Prison Healthcare and Social Inclusion, and Peter Clark, Employment Development Manager: Drugs, Prison Healthcare and Social Inclusion also stated that they have contacted Human Resources concerning information on the number of Council employees from Neighbourhood Renewal Fund areas and those with a drug history as a percentage of the overall workforce, but have yet to receive any information.
- 4.84 In order to become more representative of the communities it serves, Ms. Spittle informed the Committee that the Recruitment Bureau in Human Resources is attending events designed for young people, people from BME communities, and disabled people. Ms. Spittle stated for example that Human Resources were represented at Middlesbrough Mela and an Ethnic Minority Outreach event at the Arc in Stockton to publicise the Council as an employer to ethnic minority groups. Ms. Spittle also stated that the Council does not receive high enough numbers of job applications from certain under-represented groups.
- 4.85 The Committee was pleased to hear of these developments concerning the promotion of the Council as an employer and consider that this is something that could be developed further. **The Committee therefore recommends that 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.**
- 4.86 Ms. Spittle stated of the Council that “Stockton needs to become an employer of choice, modernising its working practices and enabling managers to implement more innovative and flexible ways of working”. The Committee were provided with information on the ‘Slivers of Time’ initiative which is supported by the Department for Communities and Local Government. ‘Slivers of Time’ offers employers flexible recruitment solutions and could be a way of

encouraging people back to work. It is seen as a way of both tackling worklessness and increasing the efficiency of the job market. 'Slivers of Time' is an internet marketplace that allows people to sell their spare hours to different employers in their local area, especially those needing workers at short notice or for short periods of time. Newham in East London received £500,000 of government funding to pilot the initiative and other projects in, for example, Liverpool and Leeds are also being developed. Slivers of Time was also highlighted in a report by the National Audit Office 'Helping People from Workless Households into Work' (2007: 33) which was made available to Members.

4.87 The initiative could assist people on Incapacity Benefit and Income Support who are able to take paid employment for a certain number of hours each week without it necessarily affecting their benefits. It can also assist other groups who require flexible employment or need to find employment around unpredictable commitments in their lives. Government research shows that 13.7 million people in the UK need 'Slivers of Time' working and 68% want to try it. Research undertaken by Oxford Economic Forecasting in 2006 listed the potential benefits to an area as follows:

- a more flexible, productive labour force;
- removal of a number of market imperfections in the labour market;
- higher levels of economic activity;
- less dependency on benefits and a larger tax base;
- a potential easing of pressures on front-line services;
- an increase in local participation;
- increased female participation rates;
- prevention of loss of soft "workplace" skills among the long-term unemployed;
- a pathway to full-time work;
- a reduction in non-benefit costs of inactivity (e.g. health, crime);
- a decrease in rates of social exclusion.

(OEF, 2006: 15)

4.88 'Slivers of Time' is run through recruitment agencies online who vet 'buyers' and 'sellers'. 'Sellers' (individuals) state the hours they wish to work, define the terms they wish to work, receive bookings by text or e-mail, and move through market levels as they establish their reliability and get more bookings. 'Buyers' (employers) input their requirements, view all local people who are available, purchase the one(s) they want, confirm an online timesheet at the end of the booking, and receive invoices and auditable records. Organisations can even induct a local pool of staff so they are constantly available (Slivers of Time, The New Local Workforce, 2006: 5-6; <http://www.sliversoftime.info>).

4.89 The lower-level work that local authorities commission either directly or indirectly could be used to launch 'Slivers of Time'. Rather than booking conventional agency temporary workers 'Slivers of Time' allows local authorities to establish a pool of people it can target for employment. It enables local people to establish a skills base and become multi-skilled. It cuts local authorities costs as employees are only employed for the time required, and applicants are self selected so should be motivated (Slivers of Time, The New Local Workforce, 2006: 6-9).

4.90 The service is estimated to require funding of at least £100,000 on local work over 12 months (which can come from a variety of sources or multiple strands

within a Council) to be established (Slivers of Time, The New Local Workforce, 2006: 10).

- 4.91 In terms of launching a market for Stockton, the Council could ask one of its existing temporary worker agencies to establish a Slivers of Time marketplace, tender the process amongst local employment agencies or establish an in-house agency. A 'Slivers of Time' market is funded by a charge of 2.5% built into each transaction, but there are currently no up-front capital costs beyond staff time. This is estimated at one person within a job-brokerage agency who is funded to work full time for a year to launch the service. It is also recommended that a buying organisation such as a local authority have a 'project owner' or 'internal champion' to ensure that 'Slivers of Time' is made good use of. The 2.5% transaction charge is to be pre-paid by the Department for Communities and Local Government until the end of June 2008 (Slivers of Time, 2006: <http://www.sliversoftime.info/shouldwelaunch/launchguide/localauthority.html>; Slivers of Time, The New Local Workforce, 2006: 4).
- 4.92 It is stated that running costs for employers and agencies are potentially lower than the existing ways of sourcing workers. The public sector costs relate to training and supervision of new entrants to the system from currently targeted groups such as those in receipt of Job Seekers Allowance or Incapacity Benefit, and the capital and running costs of public access to the internet in libraries and resource centres for example (OEF, 2006: 15-16).
- 4.93 The 'Slivers of Time' initiative appears to offer the Council the opportunity to contribute towards increasing employment rates within the Borough and to potentially reduce costs in service delivery. The Committee were informed by Jamie McCann, Head of Direct Services, and Richard Bradley, Care for Your Area Service Manager, of the number (ten were listed specifically) of recruitment agencies that they work in partnership with. Mr. McCann explained that use of temporary agency staff enables Direct Services to work flexibly and which is beneficial in terms of the amount of contracts it can secure for example. At the same time it provides greater financial stability and security for its permanent employees. 'Slivers of Time' appears to offer the opportunity to assist in the recruitment management process of the Council and potentially offer more workless people in the Borough the opportunity to enter employment. 'Slivers of Time' is a new initiative and should be properly assessed as to whether it is suitable for the Council's recruitment needs.
- 4.94 The Committee recommends that the Council, in consultation with the Trade Unions, explore implementing the 'Slivers of Time' initiative whilst funding from the Department for Communities and Local Government is available.**
- 4.95 Targeted Recruitment and Training was highlighted as an issue to the Committee by both Roland Todd from the Regeneration and Economic Development Department and Mr. Jonathan Spruce from the Tees Valley Joint Strategy Unit. Mr. Todd provided evidence on how the Council's procurement practices may offer employment and training opportunities to Stockton residents. Targeted Recruitment and Training can be integrated into public sector contracts including Private Finance Initiative and other Public Private Partnership contracts, planning and development agreements.

4.96 Targeted Recruitment and Training enables local authorities to request that developers include as part of their contracted work employment and training for groups such as the long term unemployed. It discourages developers from recruiting staff from outside localities or people who are already employed. This is possible under the 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. This is especially the case where the local authority can link this approach to objectives contained within their Community Strategy for example (MacFarlane, 2004). There is a variety of action that can be included under Targeted Recruitment and Training including:

- taking on apprentices, including under-achieving young people who have pre-qualified through ‘access schemes’;
- providing training for new employees;
- recruiting adult trainees, including young people completing full-time training courses and older-entrants who have completed pre-employment training programmes;
- ensuring that every vacancy is filled through the local Job Centre and job-matching agencies, on the basis of equal opportunities;
- ensuring that all contractors and subcontractors demonstrate that they are operating an equal opportunities policy;
- ensuring that all contractors and subcontractors are participating in training programmes offered by the relevant trade training organisation.

(MacFarlane, 2004: 8)

4.97 Funding is again an issue, and it appears that this may pass cost onto the local authority as inclusion of training and recruitment matters within a contract would constitute part of what the local authority is purchasing (MacFarlane, 2004: 11). There are also other considerations and limitations that should be taken into account if Targeted Recruitment and Training were to be expanded in Stockton. The Committee was advised that if a developer was already committed to Targeted Recruitment and Training or something similar then it may not be suitable to include it as part of a contract. In relation to this, the resources required for Targeted Recruitment and Training means that it should be subject to certain limitations on the size of the development activity.

4.98 The Committee was informed by Mr. Todd that Targeted Recruitment and Training has been undertaken to a limited extent at developments in Mandale, Hardwick, Bowesfield and North Shore. In terms of developing its use in Stockton, Mr. Todd informed the Committee that a supply chain could be easily identified through, for example, the Train to Work initiative. Mr. Todd also identified Building Schools for the Future as one programme where Targeted Recruitment and Training could be included.

4.99 The Committee recommends that Targeted Recruitment and Training be embedded in Council corporate policy on public sector contracts, planning and development agreements wherever possible and practicable.

4.100 Issue 2: Future Consideration of Long Term Funding post March 2008

- 4.101 For the second part of the review the Committee was tasked with examining future funding considerations post – March 2008 when a large proportion of the employability related funding currently available in Stockton ends. However future funding considerations currently remain largely unknown for a variety of reasons.
- 4.102 Roland Todd provided an overview of the kinds of employability initiatives funded in 2006-2008 under the Employment and Enterprise and Health and Worklessness packages of the Neighbourhood Renewal Fund in Stockton (see APPENDIX B). The funding for these two packages amounted to over £1.5 million, from a total fund of nearly £7.5 million. In addition to this, the Committee received more in-depth information from Melanie Smiles, Community Care Manager within Adults Operational Services: Learning Disabilities and Physical Disabilities and Lynn Wightman, Team Manager for STEPS, concerning Community STEPs; Graeme Oram, Chief Executive of the Five Lamps Organisation; and Sacha Bedding, Manager from Stockton International Family Centre, who have initiatives funded through the Neighbourhood Renewal Fund. The Committee was pleased to note the excellent work that currently occurs under the Neighbourhood Renewal Fund in Stockton and the different client groups and deprived areas of Stockton that were targeted for assistance through the fund. These offer many opportunities for training and employment, including, the Committee noted, opportunities for self-employment.
- 4.103 The current round of the Neighbourhood Renewal Fund ends in 2008. The Committee were informed that as part of the Comprehensive Spending Review 2007 around £1.5 billion of funding will be available for neighbourhood renewal from 2008 until 2011 for England's most disadvantaged areas. This will be available under the new 'Working Neighbourhoods Fund' which will focus on tackling worklessness and low levels of skills and enterprise in the most disadvantaged areas as part of a "concerted drive" by the government to "get people off welfare and into training and work" (Treasury, CSR DCLG, 2007: 219; Treasury, CSR, Stronger Communities 2007: 106; Carpenter, Regeneration and Renewal, 2007: 1; Grewal, 2007, <http://www.regen.net/careers/features/748986/Will-new-renewal-package-kill-neighbourhood-fund/>; DCLG, DWP, 2007:3, 14).
- 4.104 Information provided by Roland Todd stated that the Department for Communities and Local Government (DCLG) will announce detailed allocations of the funding pot after a review of the Indices of Deprivation in November. Some current Neighbourhood Renewal areas may no longer be included if the funding criteria is altered under the new Working Neighbourhoods Fund (Carpenter, Regeneration and Renewal, 2007: 1; Neighbourhood Renewal Fund, 2007, <http://www.neighbourhood.gov.uk/page.asp?id=612>; DCLG, DWP, 2007: 3, 14).
- 4.105 The Committee was similarly pleased to note the initiatives funded through the Deprived Area Fund (DAF), receiving a further overview of the initiatives which have currently been approved by the Jobcentre Plus (see APPENDIX C). In the Tees Valley, 36 wards are eligible for DAF, ten of those in Stockton.

Stockton received £550,000 in funding which is available until March 2008. The Committee received information from Graham Barker at the Shaw Trust in Stockton whose Grangefield Horticultural Project is one of the initiatives funded through the DAF. The Deprived Area Fund is designed specifically to help people into employment or progress closer towards entering the labour market. It is intended to add value to current mainstream services offered through Jobcentre Plus and, like the Neighbourhood Renewal Fund, focuses on the most deprived areas of Stockton. Information was received from Chris Livingstone, External Relations Manager at Jobcentre Plus in the Tees Valley, that there is currently no information yet as to what funding is likely to continue or replace the Deprived Area Fund after it comes to an end in March 2008. The government recently announced however that the Deprived Area Fund will be combined with the Neighbourhood Renewal Fund in the new Working Neighbourhoods Fund, in order to simplify funding, but this will only be done after a “transitional period” (DCLG, DWP, 2007: 3, 14).

- 4.106 The Committee was informed however that a new round of the European Social Fund will be available for 2007-2013. As previously mentioned, this will be worth £155 million in the North East, and DWP/Jobcentre Plus is looking to award 5 Prime Contracts in the region, with values ranging from £3-£7 million. This will fund activity to extend employment opportunities and increase skills throughout the region. Roland Todd informed the Committee that a consortium of the Tees Valley local authorities have successfully completed the Pre-Qualification Questionnaire (PQQ) as part of this contracting process which assesses a bidder's capacity to deliver the type of services the DWP requires. The final results of who will act as prime contractors will be announced in December with sub-contracts being awarded to providers in April 2008 (EFSVON, 2007).
- 4.107 Single Programme through One North East funds the Intermediate Labour Market project ‘Building Futures’ which is provided by the Tees Valley local authorities. Roland Todd informed the Committee that this will be funded until 2009, but that the level of funding may be reduced. However, Mr. Todd informed the Committee of the benefits of the Single Programme Fund as it is truly flexible and can be used as One North East see fit. It was considered therefore the key source of funding to enable the Regional Employability Framework to work effectively.
- 4.108 The Committee wished to highlight the range of good practice currently funded through many of the streams discussed above. In light of the current situation regarding funding, **the Committee recommends that the Council continue to seek to maximise funding for employability related initiatives.**
- 4.109 The Committee also noted some key problems with much of the employability related funding. The Committee asked some of those groups in receipt of the funding if they could highlight the difficulties of utilising the kinds of funds discussed here. The issues highlighted to the Committee included the different eligibility criteria of different funding streams (around receipt of certain benefits, residing in certain geographical areas etc), and the often short term nature of funding or continuity of funding which often meant that initiatives which were working effectively have had to be stopped or scaled back. The fact that some funding streams were not seen to reflect the ‘soft’ outcomes of some initiatives was also identified as a problem. These soft

outcomes were highlighted as often reflecting realistic and effective advancements towards labour market entry or skill / qualification acquisition, especially of those considered 'harder to help' groups, but were not always reflected in funding streams. Egizia Crabbe from the North East Employer Coalition also stated that the length of time required for contracting processes of some funding streams negatively impacted on the time allocated for delivery. Graeme Oram from the Five Lamps Organisation stated that the Third Sector Review (and subsequent spending commitments announced in the Comprehensive Spending Review) will assist Voluntary and Community Sector bodies in relation to some of these concerns however. The Shared Intelligence report also identified that as different funding streams are available across the Tees Valley this can lead to "a confusing picture of availability" (Shared Intelligence, 2007: 25).

- 4.110 In terms of the issues identified during this review surrounding many of the funding streams for employability related initiatives, the Committee felt it appropriate to include these issues in the letter to Frank Cook and Dari Taylor, as Members of Parliament representing Stockton-on-Tees, that forms the Committee's first recommendation. **The Committee recommends that 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** (see paras – 4.11 – 4.12).
- 4.111 The Committee was provided with a briefing paper on the relevant information contained in the Comprehensive Spending Review (CSR) 2007. Part of the CSR stated that local authorities would be allowed to invest in economic development through levying a local business rate supplement, as long as this was accountable to business, in order to meet local priorities and improve local areas. This formed the basis of the White Paper 'Business Rate Supplements' published around the same time. This was first tentatively raised as part of the March 2007 Budget, and was advocated by Sir Michael Lyons in his Inquiry into local government 'Place-Shaping: A Shared Ambition for the Future of Local Government' also published in March 2007. The Supplementary Business Rate (SBR) was identified by Lyons as an opportunity for local areas to "raise new local revenues to invest in themselves", and support businesses to engage more with local authorities in economic development, including determining revenues for investment and future growth (Communities and Local Government Committee, 2007: 10).
- 4.112 The Business Rate or National Non-Domestic Rate is based on an assessed rateable value (a hypothetical rental value) of a property, known as a hereditament, and either the small business multiplier which includes receipt of small business rate relief or the national multiplier which includes a supplement to fund small business rate relief. Business Rates are collected by a local authority and then go into a national pool. Revenues from this pool and are redistributed by central government to local authorities as a flat rate grant based on population size and the range of functions undertaken by a local authority. The Supplementary Business Rate will work quite differently, raised and retained locally and spent only on economic development (Communities and Local Government Committee, 2007; Treasury / DCLG, 2007).

- 4.113 Similar schemes to the SBR are currently in operation including the Local Authority Business Growth Initiative (LABGI) which provides funding to local authorities who can evidence that they are working to develop business in the area. Stockton has received LABGI money for the last two years. Business Improvement Districts (BIDs) are another key initiative. BIDs are partnerships between local authorities and local business, providing “additional services or improvements to specified areas funded in whole or in part by a levy [of around 1-4 pence] to the business rate upon business in that area made in addition to the national non-domestic rate” (Communities and Local Government Committee, 2007: 23-25). BIDs are distinct from the SBR in that they operate across much smaller geographic areas, require ballots of the majority of the business community affected in order to be established, and are business-led rather than joint led between the local authority and business. In Stockton a BID has been established at Cowpen Industrial Estate in Billingham. Finally, the Local Enterprise Growth Initiative (LEGI) is used to encourage enterprise in Neighbourhood Renewal areas and has also been received by Stockton (although it was recently announced that LEGI will end shortly) (Grewal, 2007).
- 4.114 The SBR would enable members of local businesses to become key stakeholders in establishing and undertaking regeneration projects with local authorities and their partners. Greater clarification on the implementation of the new rate is required, but currently there appears no reason why projects to develop employability and improve employment rates could not be included under this as long as local businesses are suitably convinced that this will aid economic development. Early responses to the proposals in the Lyons Report have been interpreted both narrowly, that the rate should be used to support infrastructure exclusively, and broadly, through CCTV and street cleaning for example. The White Paper states that the Government “does not intend to produce a specification of legitimate spending. Instead it will set out areas of expenditure to which revenues from a business rate supplement cannot be put” (Treasury / DCLG, 2007: 17). The money generated could be used to support capital projects or as revenue for specific ongoing programmes, but could not be used to substitute existing local authority resources or fund programmes that would have been undertaken anyway (Treasury / DCLG, 2007: 16-17).
- 4.115 The Government has set a national upper limit of 2 pence in the pound on supplements that can be levied. A figure in pence rather than a percentage was specified as this will provide greater certainty to business as it will constitute a fixed share of rateable value. If it was a percentage, the supplement could constitute a significantly higher proportion of its occupancy costs if there was an economic downturn. This therefore requires local authorities to deal with a greater amount of financial uncertainty, but the “government believes that this is the fairer balance” and will assist in establishing a more “secure basis” for discussion between local authorities and business (Treasury / DCLG, 2007: 19).
- 4.116 To protect smaller businesses from disproportionate burdens, properties liable for business rates with a rateable value of £50,000 or less will be exempted from paying supplements. As the threshold is set at £50,000, the vast majority of businesses in England will be exempt, as across the UK companies with a rateable value of more than £50,000 represent only 10.4% of registered enterprises. Business properties in England with a rateable value of £50,000

or less generate 31% of the total yield available through the SBR. Protecting these businesses would therefore exempt the vast majority of business properties in England while preserving most of the yield (Treasury / DCLG, 2007: 22).

4.117 Ensuring local accountability will also be essential to the SBR. The White Paper stipulates that local authorities will be required to undertake statutory consultation with businesses and other stakeholders, on the content of projects and financial management. Where the supplement will support more than a third of the total cost of a project a 'double lock' majority system ballot will be required. This will include only businesses in a hereditament liable for the SBR, ensuring that it is most accountable to those who pay the SBR (Treasury / DCLG, 2007: 23).

4.118 The Supplementary Business Rate is still at a very early stage. It will still be subject to considerable debate in Parliament and, if it is indeed legislated on, will need to be examined within Stockton and supported by members of the business community. However, the Committee felt that if the decision is taken by the local authority and the business community that the Supplementary Business Rate is right for Stockton that employability initiatives could be included as part of it, either funded directly or otherwise included as part of activity funded by the Supplementary Business Rate.

4.119 The Committee recommends that 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.

4.120 Issue 3: Help and Support for Those Groups Which are the 'Hardest to Help'

4.121 As is shown in Tables 1.7 and 1.11 in the introductory section, Stockton has experienced a significant reduction in the numbers of people classified as unemployed, especially long term unemployed (surpassing both the level of reduction experienced regionally and nationally). This success was identified by Stewart Atkinson, head of Training and Employment Services (TES), as impacting on the services TES provide and the kinds of clients that they deal with. Mr. Atkinson stated that the reduction in the overall levels of unemployment in Stockton has meant that those who now find themselves accessing services for the longer term unemployed such as the New Deal, and subsequently access service through the TES New Deal contract, are more likely to be experiencing multiple barriers to employment, and are therefore likely to be considered the 'hardest to help'.

4.122 The Committee was made aware of the multiple barriers that may impact on individuals' employability. For example, Catherine Whitfield, Public Health Advisor at North Tees Primary Care Trust, provided the Committee with information on the multiple barriers to employment that may be experienced by individuals with mental health problems. These included a lack of stable accommodation, an increased likelihood of being homeless, greater financial debt, a negative impact on general health, skills deficits and a poor employment history, and social isolation and exclusion.

4.123 Similarly, the Committee was provided with information from a report for the Institute for Public Policy Research which stated that "high levels of

worklessness among disabled people have persisted during periods of economic buoyancy” (Pillai *et al*, 2007: 9, 45). This, the writers stated, suggested “that the objective barriers and constraints to taking work are likely to be complex, deep-rooted and multi-faceted” (Pillai *et al*, 2007: 45). They may include the social and economic exclusion of people with disabilities based on unemployment, discrimination, poor skills, low incomes, poor housing, bad health and family breakdown (2007: 9).

- 4.124 Sue Maddison, Joint Strategic Commissioner: Drugs, Prison Healthcare and Social Inclusion, and Peter Clark, Employment Development Manager: Drugs, Prison Healthcare and Social Inclusion, also provided information on the multiple barriers drug users can experience, including having a criminal record, a poor credit history and a lack of access to housing which can mean that employment is almost impossible to achieve. Other barriers identified by Graeme Oram from the Five Lamps Organisation included poor transport links for people living in deprived areas, and financial exclusion, an issue specifically addressed through the Five Lamps Organisation’s Credit Unions.
- 4.125 For those considered the ‘hardest to help’, there are likely to be a variety of different overlapping barriers to employment therefore. Mr. Atkinson stated that Training and Employment Services’ staff have to be knowledgeable about the support that people experiencing multiple barriers to employment may require and how to access it. Mr. Atkinson stated that better coordination of the various service groups who may impact on employability could be beneficial. Greater holistic working was identified as important therefore. The Committee identified that there was evidence of good holistic working amongst groups in the Borough. For example, referrals of clients amongst voluntary and community sector groups, and between the Drug Action Team and Stockton Adult Education Service in terms of services provided in Stockton’s prisons.
- 4.126 The Committee recognised that holistic working could be developed. The Committee was informed by Roland Todd about the new Stockton Employability Consortium. One of the key aims of the consortium is to “facilitate better connectivity, communication and liaison for the client’s benefit, between all providers of services”. In terms of its membership, the Employability Consortium includes two Councillors (Cabinet Members for Adult Services and Health and Regeneration and Transport); Council Officers from Regeneration and Economic Development, Learning Disabilities and the Drug Action Team; and representatives from the North East Employer Coalition; Jobcentre Plus; the Learning & Skills Council; Stockton Education and Training for Adults Group; the Voluntary and Community Sector; and North Tees Primary Care Trust (including the head of Human Resources).
- 4.127 The Committee identified the Employability Consortium as a body that could facilitate greater holistic working around employability within Stockton and more effectively assist in developing support for those considered the ‘hardest to help’. To highlight this issue to the Consortium, **the Committee recommends that the Chair of the Regeneration and Transport Select Committee offer to present the findings and recommendations of this report to the Stockton Employability Consortium.**
- 4.128 The Committee also considered that in order for holistic working to be developed even further, all key groups should be more aware of the work of

the Consortium and the services available within Stockton. **The Committee recommends that Stockton Employability Consortium promote itself and its work to all relevant stakeholders as soon as is practicable.**

- 4.129 As has been mentioned previously, the Council as an employer formed a key line of enquiry for the Committee. A number of those who attended Committee meetings stated that the Council, as one of the largest employers in the Borough, could play a greater role in employing more people considered the 'hardest to help'. The Shared Intelligence report on 'Scoping a City Regional Approach to Tackling Worklessness' also raised this issue as part of the review. This essentially revolved around the public sector taking an "exemplar role as an employer" (Shared Intelligence, 2007: 24).
- 4.130 The Committee posed these issues to Julia Spittle, Head of Human Resources, Jamie McCann, Head of Direct Services, and Richard Bradley, Care for Your Area Service Manager. Much of this can be related back to information provided previously in terms of Local Employment Partnerships, the Corporate Alliance Strategy and the examples of employability initiatives of other local authorities. The Committee was informed that the vast majority of people employed by Direct Services are from the local area and many have come into employment with Direct Services through the New Deal. People are also able to access employment with the Council through Training and Employment Services, who as previously mentioned include many people from deprived areas and Jobcentre Plus priority 1 and 2 groups (which includes lone parents, people with disabilities or limiting long-term illnesses, people accessing New Deal provision, and longer term claimants).
- 4.131 There is a good deal of activity already occurring within the Council in terms of employing (and offering education and training opportunities) the 'hardest to help' in Stockton. This was something that the Committee felt could be developed further. However some operational difficulties were identified. Mr. McCann stated that while Direct Services would like to extend the work they currently do in relation to employing more people considered the 'hardest to help' this would require additional resources. This was due to the need to maintain services standards as part of Service Level Agreements and the pressures of external competition in service delivery, both of which could be compromised if Direct Services were to employ more people considered the 'hardest to help' without any additional resources. Mr. McCann also stated that these resources could not come from Direct Services existing budgets. It was also considered by the Committee that it would not be beneficial to the employee if they were to enter any employment un-supported.
- 4.132 Mr. McCann, Mr. Bradley and Ms. Spittle identified that it was difficult as employers to navigate the various bodies involved in employability related work, the different funds available with different eligibility rules, and the number of different groups who individually contact Human Resources and Direct Services to promote their service. This was also identified as a theme reflected in the Shared Intelligence report, stating that "there is such a plethora of activity to support workless individuals and households in the Tees Valley that even professionals struggle to understand what activity and support is available on their 'patch'" (Shared Intelligence, 2007: 27).
- 4.133 The Committee considered that Human Resources and Direct Services can provide additional insight into employer perspectives on employing the

'hardest to help' to assist the work of the Employability Consortium. Through this there appears potential to develop initiatives so that they meet employer needs more effectively and lead to more sustained employment.

- 4.134 The need for employer 'buy in' was highlighted by Mrs. Egizia Crabbe, Director for the Tees Valley at the North East Employer Coalition, who stated that the 'business case' for employing the 'hardest to help' groups must continue to be promoted in order for many employers to support initiatives.
- 4.135 Mrs. Crabbe provided the Committee with an example of this with a report on the 'Learning Logistics Project' delivered in Redcar and Cleveland through their 'Routes to Employment' programme. This enabled thirteen employers, including Nicholson's Transport, to recruit new LGV drivers amongst people who had been on out of work benefits, specifically Incapacity Benefits, which opened up for the company a "pool of resources...not previously considered" (North East Vision, Autumn 2007: 55). This good practice has since been adopted under Stockton-on-Tees Borough Council's 'Train to Work' programme in collaboration with the North East Employer Coalition and the Stiller Group who are also going to develop a LGV driver training and recruitment programme for people on out of work benefits.
- 4.136 The Committee therefore recommends that 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.**
- 4.137 The Committee was therefore informed of the greater risk from an employer perspective in employing people considered the 'hardest to help', and the intensive in-work support that is often seen as an essential pre-requisite to employment. The Committee was also informed by Roland Todd that this support is offered by certain organisations working within Stockton, and the mapping matrix of initiatives in Stockton highlights that many organisations working with the 'hardest to help' offer 'aftercare and retention', which forms one of the five pillars of the Regional Employability Framework. The Committee was also advised by Mr. Todd that this is an important area that could be developed further.
- 4.138 The Committee therefore recommends that Stockton Employability Consortium be encouraged to consider the enhancement of in-work support for people considered the 'hardest to help' and increase awareness amongst employers of the organisations who currently offer this support.**
- 4.139 Melanie Smiles, Community Care Manager within Adults Operational Services: Learning Disabilities and Physical Disabilities, and Lynn Wightman, Team Manager for STEPS, provided the Committee with information on the STEPs services for people with a disability. These include STEPs which is an employment support service delivered by Employment Support Advisors who provide information, advice and support; the day resource centre at Tithebarn; Community STEPs which is funded by the Neighbourhood Renewal Fund and provides employment opportunities to people with disabilities in neighbourhood renewal areas in Stockton; and WORKSTEP which is Jobcentre Plus funded and assists people claiming Incapacity Benefit into

employment, providing support in employment with possible progression to unsupported employment.

- 4.140 Ms. Smiles and Ms. Wightman provided the Committee with a paper on the 'Employment of People with Learning Disabilities'. As has been discussed previously, the employment of people with a disability, especially those claiming Incapacity Benefit, are a priority if overall employment rates are going to be improved. Information from the Shaw Trust showed that employment rates for people with learning disabilities are particularly low, only around 25% (<http://www.shaw-trust.org.uk/page/6/89/>). The report focussed on people with learning disabilities but made clear that the action advocated in the report could be utilised for anyone with a disability.
- 4.141 The report advocated the use of 'Training in Systematic Instruction' or 'Job Carving'. This is a way of splitting jobs to ensure that existing employees are at their most productive whilst enabling disabled people to enter employment, for example undertaking tasks such as dealing with mail. Essentially job carving requires breaking a job down into distinct tasks which are then more accessible to some people with learning disabilities or physical disabilities. Both the employer and the individual entering the newly 'job carved' position would receive support in entering employment.
- 4.142 The Committee felt that job carving offered a route into employment for people with learning disabilities who have one of the lowest employment rates for anyone with a disability. There was also a clear business case for employers as to why job carving should be implemented. The Committee was pleased to note that a pilot project through the Deprived Area Fund is currently being assessed. The Committee felt that job carving should be considered for implementation by a wider number of employers and therefore **the Committee recommends that 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.**
- 4.143 The Committee also received information on the variety of organisations operating as social enterprises within Stockton. The Social Enterprise Coalition define social enterprise as businesses that trade for a social purpose and reinvest the bulk of their profits to furthering their goals (<http://www.socialenterprise.org.uk/Page.aspx?SP=1953#1>). The Committee identified that social enterprises operating in Stockton directly employ many people considered the 'hardest to help'. The Committee received information from the Shaw Trust who run the Grangefield horticultural project as a social enterprise in Stockton. The Shaw Trust Grangefield Project receive funding from Stockton-on-Tees Borough Council as part of a service level agreement.
- 4.144 The Shaw Trust Grangefield Project is just one example of a social enterprise operating in Stockton (others include Community Campus 87). It was raised as an issue to the Committee that the Council arranges many contracts which cover the procurement of a wide range of goods and services with an annual value in excess of £55 million. The Council may therefore be able to assist, to a greater extent, social enterprise through its procurement practices and thereby in-directly extend employment opportunities to many of those considered the 'hardest to help' (<http://www.stockton.gov.uk/business/howbusi/>).

4.145 The Committee recommends that Stockton-on-Tees Borough Council and its partners consider strengthening support for social enterprise through its procurement practices.

5.0 Conclusion

- 5.1 The Committee found that employability is a multi-faceted concept and that many different elements had to be considered as part of this review. The national targets in terms of skills and qualifications contained in the Leitch Review of Skills (2006) and the ambitious 80% employment rate formed the basis of the Committee's approach to the review and subsequent recommendations.
- 5.2 The Committee recognised that there are key barriers to increasing employment rates which were outside their direct sphere of influence. These included the benefits and tax credit systems which may discourage people from entering training or employment, and the criteria attached to many of the funding streams utilised for employability related initiatives. The Committee has therefore sought to highlight these issues to individuals and organisations at a more appropriate level.
- 5.3 The employment policies and practices of the Council formed a key area of the review as the public sector is the largest employer in the Borough. The review has highlighted some key initiatives and examples of local authority activity in relation to this which could assist in the development of Human Resources' new recruitment and retention strategies. Where existing or potential good practice has been identified, the Committee considered that there is scope to share this with Council partners, especially those who comprise Stockton Renaissance, and as part of the City Region initiative.
- 5.4 The Committee also accepted that employers have concerns about how to employ those considered the 'hardest to help' and often find it difficult to engage in this kind of activity. This information appears beneficial for the work of the new Stockton Employability Consortium in order to design initiatives which result in ever more sustainable employment. However, it should also be acknowledged that currently there is a wide range of employability related activity in Stockton which could be explored to a greater extent by employers, and the Consortium will hopefully assist in facilitating the wider use of this activity. Employability could also be included to a greater extent as an element of the Council's public sector contracts, planning and development agreements, and procurement practices, utilising the Council's influence on employability matters.
- 5.5 The Committee explored the long-term funding considerations post-March 2008. The Committee found that a great deal of employability related activity is programme funded rather than mainstream funded, and this can have a number of drawbacks in relation to the length and sustainability of funding. This can make service development for those organisations working in this area difficult and can leave initiatives which are working well un-resourced as eligibility criteria shifts or funding comes to an end with nothing to replace it. The current situation in regards to certain funding streams post-March 2008 is still unknown, but based on the good practice currently evident in Stockton the Committee identified that the Council should continue to maximise the use of funding streams for employability wherever they are available.

6.0 Recommendations

- 6.1 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 (para 4.12 and 4.110).
- 6.2 The Learning and Skills Council include a focus on retention and engagement within the new strategy for 14-19 year olds (para 4.19).
- 6.3 Stockton-on-Tees Borough Council and the Learning and Skills Council continue to promote and develop youth employment and apprenticeships in Stockton Borough (para 4.20).
- 6.4 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 (paras 4.36 and 4.127).
- 6.5 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 (para 4.52).
- 6.6 The Council sign a Jobs Pledge and enter a Local Employment Partnership, and continue to support the Corporate Alliance strategy for ex-offenders (para 4.66).
- 6.7 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 (para 4.85).
- 6.8 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 (para 4.94).
- 6.9 Targeted Recruitment and Training be embedded in Council corporate policy on public sector contracts, planning and development agreements wherever possible and practicable (para 4.99).
- 6.10 The Council and its partners continue to seek to maximise funding for employability initiatives (para 4.108).
- 6.11 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 (para 4.119).
- 6.12 The Committee recommends that Stockton Employability Consortium promote itself and its work to all relevant stakeholders as soon as is practicable (para 4.128).
- 6.13 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 (para 4.136).
- 6.14 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 (para 4.138).
- 6.15 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 (para 4.142).
- 6.15 Stockton-on-Tees Borough Council and its partners consider strengthening support for social enterprise through its procurement practices (para 4.145).

Glossary of Key Terms

- **Economic Activity Rate:** People who are economically active expressed as a percentage of all people.
- **Economically Active:** people who are either in employment or unemployed.
- **Economically Inactive:** people who are neither in employment nor unemployed. Includes, for example, all those looking after a home or retired.
 - Divides into two sub-sections:
 - **Wanting a Job:** people not in employment who want a job but are not classified as unemployed because they have either not sought working the last four weeks or are not available to start work.
 - **Not Wanting a Job:** People who are neither in employment nor unemployed and who do not want a job.
- **Employment Rate:** the number of people in employment expressed as a percentage of all people.
- **In-employment:** people who did some paid work in the previous week.
- **Job Density:** the number of people of working age to the number of jobs. A jobs density of 1 would mean that there is one job for every resident of working age.
- **Labour Supply:** All those employed, unemployed or economically inactive and can be considered to be potential labour supply.
- **Level 2 Qualification:** equivalent to 5 GCSE grades A* - C.
- **Level 3 Qualification:** equivalent to 2 A Levels grades A – E.
- **Unemployed (ILO – International Labour Organisation definition):** refers to people without a job who were available to start work in the previous two weeks and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.
- **Unemployed (Claimant Count):** refers to those unemployed who are claiming unemployment-related benefits (Jobseeker's Allowance). It is always the lower measure because some unemployed people are not entitled to claim benefits, or choose not to claim.
- **Unemployment Rate:** unemployed as a percentage of the economically active population.
- **Working Age:** Males 16-64; Females 16-59.
- **Worklessness:** combines the unemployed and the economically inactive.

(from Office for National Statistics and Tees Valley Joint Strategy Unit)

Bibliography

1. 10 Downing Street (2007) Queens Speech 2007 <http://www.number10.gov.uk/output/Page13709.asp> accessed on 7/11/07.
2. Adams, J. (2005) A Full Employment Region (Newcastle-upon-Tyne, IPPR North).
3. Cabinet Office (2007) Skills Pledge: A Leaflet for Employers (London, The Stationary Office).
4. Carpenter, J. (2007) *£2bn Pot to Support Neighbourhood Renewal in Regeneration and Renewal* (October 2007) pp.1.
5. Casebourne, J.; Davis, S. and Page, R. (2006) Review of Action Teams for Jobs (London, The Stationary Office).
6. Chapman, T.; Brown, J.; Crow, R. and Heggie, J. (2007) Major Skills Issues in the Tees Valley (Middlesbrough, Social Futures Institute University of Teeside).
7. Citizens Advice Bureau (2007) Benefit Simplification: Evidence to the Work and Pensions Select Committee Inquiry.
8. Department for Business, Enterprise and Regulatory Reform (2007) RDA Finance and Governance <http://www.dti.gov.uk/regional/regional-dev-agencies/funding-financialgov/page20136.html> accessed 10/10/07.
9. Department for Children Schools and Families (2007) Raising the Participation Age: Four Building Blocks (Press Release 5/11/07) http://www.dfes.gov.uk/pns/DisplayPN.cgi?pn_id=2007_0198 accessed 6/11/07.
10. Department for Children, Schools and Families (2007) 14-19 Education and Skills <http://www.dfes.gov.uk/14-19/index.cfm?sid=27&pid=218&ctype=TEXT&ptype=Single> accessed 17/10/07.
11. Department for Children, Schools and Families (2007a) 14-19 Education and Skills: What is a Diploma? Improving Choice, Improving Chances (London, The Stationary Office).
12. Department for Communities and Local Government and Department for Work and Pensions (2007) The Working Neighbourhoods Fund (London, The Stationary Office).
13. Department for Innovation, Universities and Skills (2007) World Class Skills: Implementing the Leitch Review of Skills in England (Cm 7181) (London, The Stationary Office).
14. Department for Work and Pensions (2002) Pathways to Work: Helping People into Employment (Cm 5690) (London, The Stationary Office).
15. Department for Work and Pensions (2005) Five Year Strategy: Opportunity and Security Through Life (Cm 6447) (London, The Stationary Office).
16. Department for Work and Pensions (2005) Opportunity Age: Opportunity and Security Throughout Life Vol.2, Section 1 Our Ageing Society http://www.dwp.gov.uk/opportunity_age/volume2/section_one.asp accessed 7/09/07.
17. Department for Work and Pensions (2006) A New Deal for Welfare: Empowering People to Work (Cm 6730) (London, The Stationary Office).
18. Department for Work and Pensions (2006a) Opportunity for All: Eighth Annual Report 2006: Strategy Document (London, The Stationary Office).
19. Department for Work and Pensions (2007) In Work Better Off; Next Steps to Full Employment (Cm 7130) (London, The Stationary Office).
20. Department for Work and Pensions (2007a) Employer Partnership and a New 'Jobs Pledge' the Key to Full Employment in Britain, says Prime Minister

- <http://www.dwp.gov.uk/mediacentre/pressreleases/2007/jul/emp039180707.asp> accessed 15/10/07.
21. Department for Work and Pensions (2007b) Incapacity Benefit / Severe Disablement Allowance Data <http://83.244.183.180/NESS/BEN/ibsda.htm> accessed 1/11/07.
 22. Department for Work and Pensions (2007c) Incapacity Benefits <http://www.dwp.gov.uk/welfarereform/incapacity.asp> accessed 1/10/07.
 23. Disability Rights Commission (2006) Welfare Reform Policy Paper.
 24. ESFVON (2007) ESFVON News: Objective 2 and 3 Bulletin European Social Fund Programme 2007-13; Issue 4; October 2007.
 25. European Social Fund (2006) Introduction http://www.esf.gov.uk/introduction_to_esf/ accessed 10/10/07.
 26. Evans, S (2007) Disability, Skills and Work: Raising Our Ambitions (London, Social Market Foundation).
 27. Finn, D. (2003) *Employment Policy* in Ellison, N. and Pierson, C. (Eds.) Developments in British Social Policy 2 pp.111-128.
 28. Freud, D. (2007) Reducing Dependency, Increasing Opportunity: Options for the Future of Welfare to Work (An Independent Report to the Department for Work and Pensions) (Leeds, CDS).
 29. Gateshead Council (2006) Gateway to Gateshead (G2G) Final Evaluation Report.
 30. Government Office for the North East (2000) European Funding: Objective 2 and Objective 2 Explained: Summary of the Programme <http://www.gos.gov.uk/gone/eurofunding/objective2/?a=42496> accessed 10/10/07.
 31. Grewal, H.K. (2007) *Will New Renewal Package Kill Neighbourhood Fund?* (19/10/07) <http://www.regen.net/careers/features/748986/Will-new-renewal-package-kill-neighbourhood-fund/> accessed 23/10/07.
 32. Hillage, J. and Pollard, E. (1998) Employability: Developing a Framework for Policy Analysis (Nottingham, DfEE Publications).
 33. HM Treasury (2007) Budget 2007 (London, The Stationary Office).
 34. HM Treasury (2007) Pre-Budget Report and Comprehensive Spending Review 2007 PSA Delivery Agreement 2: Improve the Skills of the Population, On the Way to Ensuring a World Class Skills Base by 2020 (London, The Stationary Office).
 35. HM Treasury (2007) Pre-Budget Report and Comprehensive Spending Review 2007 PSA Delivery Agreement 10: Raise the Educational Achievement of All Children and Young People; PSA Delivery Agreement 10: Narrow the Gap in Educational Achievement between Children from Low Income and Disadvantaged Backgrounds and Their Peers (London, The Stationary Office).
 36. HM Treasury (2007) Pre-Budget Report and Comprehensive Spending Review 2007 PSA Delivery Agreement 8: Maximise Employment Opportunity for All (London, The Stationary Office).
 37. HM Treasury (2007) Pre-Budget Report and Comprehensive Spending Review Stronger Communities and a Better Quality of Life (London, the Stationary Office) pp. 95-112.
 38. HM Treasury (2007) Pre-Budget Report and Comprehensive Spending Review 2007: Department for Communities and Local Government (Annex D5) (London, The Stationary Office) pp. 217-220.
 39. HM Treasury (2007a) Government Review Empowers Regions and Localities to Spread Economic Opportunity for All (Press Release 17/07/07).
 40. HM Treasury / Department for Business, Enterprise and Regulatory Reform / Department for Communities and Local Government (2007) Review of Sub-

- National Economic Development and Regeneration (London, the Stationary Office).
41. HM Treasury and Department for Communities and Local Government (2007) Business Rate Supplements: A White Paper (Cm 7230) (London, The Stationary Office).
 42. Hopkins, V. Russell, P. Harvey, E. and Rich, C. (2003) Moving On: Update Employability and Employment for Recovering Drug Users (Edinburgh, Effective Interventions Unit).
 43. House of Commons Communities and Local Government Committee (2007) Local Government Finance: Supplementary Business Rate: Volume 1. (London, The Stationary Office).
 44. House of Commons Work and Pensions Committee (2006) Incapacity Benefits and Pathways to Work (Third Report) (London, The Stationary Office) also available at <http://www.publications.parliament.uk/pa/cm200506/cmselect/cmworpen/616/61602.htm> accessed 1/10/07.
 45. House of Commons Work and Pensions Committee (2007) The Government's Employment Strategy (London, The Stationary Office).
 46. Jobcentre Plus (2007) Local Employment Partnerships (Press Release).
 47. Learning and Skills Council (2007) Learning and Skills Council Tees Valley Annual Plan 2007-08 <http://readingroom.lsc.gov.uk/lsc/NorthEast/TVannualplan0708finalversionMar2007.pdf> accessed 28/09/07.
 48. Leitch Review of Skills (2006) Prosperity for All in the Global Economy – World Class Skills (London, The Stationary Office).
 49. Lyons, M. (2007) Lyons Inquiry into Local Government. Place Shaping: A Shared Ambition for the Future of Local Government (London, The Stationary Office).
 50. MacFarlane, R. (2004) Targeted Training and Recruitment Toolkit (New Approaches to Public Procurement (NAPP) Network).
 51. MacGregor, S. (2003) Social Exclusion in Ellison, N. and Pierson, C. Developments in British Social Policy 2 (Basingstoke, Palgrave Macmillan) pp.56-74.
 52. Marshall, B. and MacFarlane, R. (2000) The Intermediate Labour Market: A Tool for Tackling Long-Term Unemployment (York, Joseph Rowntree Foundation).
 53. Marvin, S.; Harding, A. Robson, B. (2006) A Framework for City-Regions (Wetherby, ODPM Publications).
 54. National Audit Office (2007) Helping People from Workless Households into Work (London, The Stationary Office).
 55. National Statistics Online (2002) Gross Value Added <http://www.statistics.gov.uk/ccinugget.asp?id=254> accessed 16/10/07.
 56. Neighbourhood Renewal Unit (2006) Renewal in Your Area <http://www.neighbourhood.gov.uk/page.asp?id=61>.
 57. Neighbourhood Renewal Unit (2007) The Neighbourhood Renewal Fund 2006-08 and Beyond <http://www.neighbourhood.gov.uk/page.asp?id=612> accessed 01/11/07.
 58. One North East (2007) Leading the Way: Regional Economic Strategy Action Plan 2006-11 http://www.onenortheast.co.uk/page/res_action_plan.cfm accessed 16/10/07.
 59. Oxford Economic Forecasting (2006) Slivers of Time: Making the Labour Market Work Better (Oxford, OEF).
 60. Pillai, R.; Rankin, J. and Stanley, K. with Bennett, J.; Hetherington, D.; Stone, L. and Withers, K. (2007) DISABILITY 2020: Opportunities for the full and

- equal citizenship of disabled people in Britain in 2020 (A report by IPPR trading ltd for the Disability Rights Commission) (London, Disability Rights Commission).
61. Promoting Best Practice with Local Authorities in North East Employer Coalition News (January 2006) pp.2.
 62. Putting the Unemployed Back in the Driving Seat in North East Vision (Autumn 2007) pp.55.
 63. Rocket Science UK Ltd. (2007) Employability Action North East – Final Report.
 64. Shared Intelligence (2007) Scoping A City Regional Approach to Worklessness: A Report to Tees Valley Unlimited (Draft and Final Versions) (York, Shared Intelligence).
 65. Shaw Trust (2006) Disability and Employment Statistics <http://www.shaw-trust.org.uk/page/6/89/> accessed 1/10/07.
 66. Slivers of Time (2006) Overview: What Do We Need for a Launch? available at www.sliversoftime.info accessed 28/09/07.
 67. Slivers of Time (2006) The New Local Workforce: Slivers of Time Working for Local Authorities available at www.sliversoftime.info accessed 28/09/07.
 68. Social Enterprise Coalition (2007) What is Social Enterprise? <http://www.socialenterprise.org.uk/Page.aspx?SP=1953#1> accessed 6/11/07.
 69. Tees Valley Joint Strategy Unit (2005) Tees Valley City Region Development Programme.
 70. Tees Valley Joint Strategy Unit (2006) Tees Valley City Region: A Business Case For Delivery.
 71. Tees Valley Partnership (2004) Single Programme Delivery Plan (2004/05): Building Futures http://teesvalleypartnership.co.uk/delivery_plan/31.html accessed 23/10/07.

Various Pages from the Websites of those groups who informed the review and Stockton-on-Tees Borough Council Website.

APPENDIX A

EMPLOYMENT & HEALTH EMPLOYABILITY MAPPING

The table below gives an indication of some of the employability provision available in Stockton. It is based on the five pillars of the Regional Employability Framework, Engagement, Action Planning, Employability Services, Job Placement and Training and Aftercare and Retention. It is a working document and any other identified provision should be added as and when information becomes available. It identifies the lead or prime contract holder and it is not intended at this stage to list every sub contractor or learning and training provider that could be involved with a particular project.

Organisation	Engagement	Action Planning	Employability Services	Job Placement & Training	Aftercare & Retention	Client group & geographical area	Funding body/end date	Targets	Comments
NRF Activity									
A4E - Fit For Employment	X	X	X	X	X	Year 10 & 11 NRF	NRF March 08	20 JOBS	
SBC TES - Access to Apprenticeships	X	X	X	X		NEET NRF	NRF March 08	53 jobs 85 quals	
5 Lamps -Guidance & Support Services	X	X	X	X	X	All NRF	NRF March 08	335 jobs	
SIFC - BME Employment & Enterprise	X	X	X			All emphasis to BME NRF	NRF March 08	30 business start ups 40 jobs	
Newtown CRC – Stockton Online	X	X	X			All NRF	NRF March 08	794 new members	
5 Lamps – VCS led worklessness package	X	X	X	X	X	All NRF	NRF March 08	265 jobs	
Prince's Trust – Get into Retail	X	X	X			YP 18-25 NRF	NRF March 08	6 jobs 10 quals	
PANIC – Ground Level	X	X	X		X	Substance misuse NRF	NRF March 08	30 quals 10 jobs	
SBC CESC STEPS – Community STEPS	X	X	X	X	X	People with disabilities NRF	NRF March 08	30 jobs 40quals	
5 Lamps – Business Support in the Community	X	X			X	All NRF	NRF March 08	28 jobs 28 start ups	Same people.
Community Campus – Decent Homes & key skills	X	X	X	X	X	Homeless, YP NRF	NRF March 08	2 jobs 70 construction weeks	
5 Lamps – Central						Residents of	NRF	60 jobs	

Organisation	Engagement	Action Planning	Employability Services	Job Placement & Training	Aftercare & Retention	Client group & geographical area	Funding body/end date	Targets	Comments
Area IAG	X	X	X	X	X	NR Central Areas	March 08	50 quals	
Jobcentre Plus Provision									
TNG – New Deal options FTET, ETF, VS, IAP	X	X	X	X	X	New Deal eligible 18-24 & 25+. ND Lone parents	June 08		
DISC – Progress2Work	X	X	X	X	X	18-65, Substance misuse	31/3/08		
Armstrong Learning – ND for Musicians	X	X	X	X	X	ND 18-24, ND 25+, ND Lone Parents	July 08?		National Contract
JHP Training – basic skills assessment	X					New Deal eligible			Durham Contract variation
Pertemps – Discovery Weeks	X	X	X	X	X	Lone Parents	April 07	Up to 200 starts	Contract Ended
JCP – Basic Skills & ESOL	X	X	X	X	X	Non New deal clients u/e for 6 months +	LSC July 08	Aim to help up to 197 Customers	Provider is Working Links
Working Links – Gateway to Work, FTET, BET	X	X	X	X	X	New Deal eligible	June 08	Various	
Organisation	Engagement	Action Planning	Employability Services	Job Placement & Training	Aftercare & Retention	Client group & geographical area	Funding body/end date	Targets	Comments
Inbiz – test trading	X	X	X	X	X	New Deal eligible	July 08		Contract Administered in Leeds
Jobcentre Plus ESF									

Organisation	Engagement	Action Planning	Employability Services	Job Placement & Training	Aftercare & Retention	Client group & geographical area	Funding body/end date	Targets	Comments
Co-financing provision									
Positive People Development – Work this Way	X	X	X	X	X	Day 1 eligibility for unemployed (registered or not)	ESF Co-financing 31/12/07	620 Starts Tees Valley wide	
Working Links – Mentoring, Community Reach Out	X	X	X	X	X	Day 1 eligibility for unemployed (registered or not)	ESF Co-financing 31/12/07 – Mentoring 31/3/08 Com. Reachout	500 – Mentoring 586 – Community Reachout	
Inbiz – Test Trading	X	X	X	X	X	Day 1 eligibility for unemployed (registered or not)	ESF Co-financing 30/3/08	90 Stage 3 (Test Trading)	
Igen – Community Crossroads	X	X	X	X	X	Day 1 eligibility for unemployed (registered or not)	ESF Co-financing 31/3/08	600	
Wise Group – ILM Bridges Back	X	X	X	X	X	Day 1 eligibility for unemployed (registered or not)	ESF Co-financing	80	Suspended Contract number achieved
Ceemac – occupational training	X	X	X	X	X	Day 1 eligibility for unemployed (registered or not)	ESF Co-financing	Various	

Organisation	Engagement	Action Planning	Employability Services	Job Placement & Training	Aftercare & Retention	Client group & geographical area (not)	Funding body/end date	Targets	Comments
Jobcentre Plus Deprived Area Fund									
PANIC - Basic Skills & Supported access	X	X	X			Substance misuse DAF areas	DAF March 08	Engage with 25 people	
Turnaround Homes – Taster Training	X	X	X			Homeless & substance misuse DAF areas	DAF March 08	To be agreed	
5 Lamps – Construction Skills Site Safety Training	X	X	X			All/hardest to help DAF areas	DAF March 08	100 people trained	
5 Lamps – Self Employment Animation	X	X	X		X	All DAF areas	DAF March 08	15 Start up businesses	
Community Campus – Introduction To Construction	X	X	X	X	X	Homeless Young People DAF areas – M'bro, S'ton & H'pool	DAF March 08	Engage 90 YP	
Community Campus – Youth Works	X	X	X			Homeless Young People DAF areas	DAF March 08	Engage 25 YP	
Community Campus – Get Moving	X	X	X			Homeless Young People DAF areas	DAF March 08	Engage 20-25 YP	
Enterprise Academy – Work It Out	X	X	X			YP 18-24 NEET DAF areas	DAF March 08	90 engaged	
Safe in Tees Valley – Motivation & Awareness	X	X	X			Women, BME, LTU & LP priority	DAF March 08	60 engaged	

Organisation	Engagement	Action Planning	Employability Services	Job Placement & Training	Aftercare & Retention	Client group & geographical area	Funding body/end date	Targets	Comments
						DAF areas			
Cultures Interest Company – Cultures Unite	X	X	X	X	X	BME DAF areas	DAF March 08	77 engaged	
Shaw Trust – Grangefield Project	X	X	X			Learning Disabilities DAF Areas	DAF March 08	32 engaged 18 quals	
Other Provision									
Jobcentre Plus Pathways to Work Advisers/Job Brokers	X	X	X	X	X	New Incapacity Benefit customers	JCP		
Jobcentre Plus – Disability Employment Adviser	X	X	X	X	X	People with disabilities	JCP		
CESC - STEPS	X	X	X	X	X	People with disabilities	CESC	No set targets	Clients get PDP
Shaw Trust/STEPS - Workstep	X	X	X	X	X	People with disabilities	JCP	20 placements each service	
New Directions	X		X			16+ or carers of emotional distress/mental health issues	Supporting People	No targets	
NACRO – Pathway project	X	X	X	X	X	18+ Substance misuse	DAT	3 FT jobs 5 PT jobs	30 quals
PANIC	X	X	X		X	18+ substance misuse	DAT	Work with 100 chaotic users	
Turnaround Homes/SBC AES – Low Martinfield Farm project	X		X			16-25 homeless, substance misuse	LSC		

Organisation	Engagement	Action Planning	Employability Services	Job Placement & Training	Aftercare & Retention	Client group & geographical area	Funding body/end date	Targets	Comments
SBC AES – OLASS project	X	X	X			Offenders in prison	LSC		
SBC, R & ED – Train To Work	X	X	X			Disadvantaged Priority 4 areas	ESF March 2008		
Riverside College/Youth Support – ISSP						Young offenders			
Youth Offending Service/Pertemps – It's Going to Work	X	X	X	X	X	Young Offenders Tees Valley	LSC March 2008	65 jobs 99 in to training	
Shaw Trust – Grangefield Horticultural project	X	X	X	X	X	Learning Disabilities	CESC March 2010	20 placements	
Rievaulx Centre – Head in the Shed	X	X	X			Learning disabilities	CESC	No set targets	
Tees Valley Works - Tees Valley Works in the Community	X	X	X			Unemployed Tees Valley	LSC Co-financing December 2007	23 jobs 31 quals	Target for Stockton
Tees Valley Works - Tees Valley Works for Women	X	X	X			Women Tees Valley	LSC Co-financing Feb 2008	6 jobs 15 quals	Target for Stockton
Tees Valley Works – Make it Happen	X	X	X	X		Unemployed Tees Valley	LSC Co-financing December 2007	40 jobs	Target for Stockton
Building Futures	X	X	X	X	X	Unemployed Tees Valley	Single Programme March 2009	193 jobs	Target for Tees Valley
Five Lamps - Breaking Barriers	X	X	X	X	X	Basic & Key Skills Tees Valley	LSC C-financing Summer	345 Starts 236 Qualls 175 Jobs	

Organisation	Engagement	Action Planning	Employability Services	Job Placement & Training	Aftercare & Retention	Client group & geographical area	Funding body/end date	Targets	Comments
							2008		
Five Lamps - Working Together	X	X	X	X	X	Upgrade skills in the VCS sector	LSC Co-financing Summer 2008	140Jobs 300 Quals	
Five Lamps - Entry 2 Employment	X	X	X	X	X	Unemployed 16-18	LSC July 2008	76 Starts 50% Progression	
SBC TES – Stockton Freshstart	X	X	X	X	X	16-18 NEET	LSC February 2007	Progression to jobs 24%	
SBC TES – E2E	X	X	X	X	X	16-18 NEET	LSC 31 August 2007 to be reviewed	Progression to learning 50%	
Sunderland/Riverside College – Go Forward (Contact centre training)	X	X	X	X	X	Unemployed	LSC Co-financing 30 June 2008	146 in to work	

APPENDIX B

SUMMARY OF THE EMPLOYMENT & ENTERPRISE AND HEALTH & WORKLESSNESS PACKAGES

EMPLOYMENT AND ENTERPRISE

Business Support in the Community – The Five Lamps Organisation

Entrepreneurship and new business start up within the Tees Valley falls well short of the National average. This intervention focuses on increasing the number of small enterprises and enabling the staged growth of new businesses through a range of support including, financial, technical, organisational and personal development activities. Customers will be sourced from the unemployed and those receiving Incapacity Benefit as self employment can be seen as an important route back in to employment and can offer the flexibility that some customers need to make the transition from workless to sustainable employment. Business Link is the core provider of self-employment support and advice with its Start-up Service. However, this level of support and expertise is needed in a more informal community setting where this client group feel more comfortable and willing to discuss their ideas. Customers will be offered a flexible support programme aimed at their individual level of competency and appropriate partnership working further developed with Business Link and other agencies.

Contact: Bill Erskine, Five Lamps Organisation, Eldon St, Thornaby. Tel 608316

Black Minority Ethnic (BME) Employment & Enterprise Package – Stockton International Family Centre (SIFC)

This package is a number of interventions, resulting from and building on different activities and research undertaken during the past few years. The aim is to give an individual, most likely, but not exclusively from a BME background, an opportunity to progress into either employment or self-employment.

BME IAG Worker – Part funded by the Action Team for Jobs. Research has confirmed that there is a need for specific IAG within the black and minority ethnic communities, where a person understands the complicated cultural differences that exist and that can relate and are aware of the issues facing asylum seekers and refugees.

BME Business Mentor, the previous success of this part time pilot project has highlighted the need and further development of this type of business support within the BME community. Funding is sought to make the project full time.

Women's Business Mentor a significant number of women (not just from BME communities) find it easier to work with women (for lots of well known reasons, such as confidence, cultural relationships, fear etc.). This is a part time resource.

Key outcomes include:

Contact: Sacha Bedding, Stockton International Family Centre, Dovecot Street, Stockton. Tel 612400

Access to Apprenticeships – SBC Training & Employment Services

Provides additional assistance to young people (16-18 years old) who are not engaged in employment, education or training (NEET) or those coming to the end of compulsory education who are at risk of not engaging in further economic or learning

activities. Young people will be specifically engaged in Work Based Learning leading to an apprenticeship, employment or progression to further education.

Target groups include young people without a level one qualification; have caring responsibilities; need to develop personal effectiveness; have severe literacy/numeracy problems; are homeless; have recently completed a custodial sentence; are teenagers with children; lone parents; have disabilities; have learning difficulties; or members of minority ethnic groups.

Contact: Stewart Atkinson, Training & Employment Services, 62 Dovecot Street, Stockton. Tel 527576

Fit for Employment – Connexions/A4E

A pilot project was delivered in Round 3 of NR Funding and as a result of the success of the project further funding is required to develop and mainstream this innovative initiative. It provides a work based learning opportunity for students in Years 10 and 11 in secondary schools within the Super Output Areas. The programme gives students the opportunity to gain knowledge and first hand work experience of, primarily, the construction industry. The benefits include vocational training leading to paid employment, knowledge of the construction industry and the opportunities available, enhanced employability skills and a reduction of people who may become NEET.

Contact Keith Horkan, A4E, c/o Connexions, Calvert's Lane, Stockton. Tel 601600.

Guidance and Support Services – The Five Lamps Organisation

The project will provide a community based guidance and support facility offering focused information, guidance and practical support for local residents to successfully improve their job search skills and move into sustainable employment. It will utilise the volunteer mentors that provides an ongoing buddy/ mentoring service for those clients most in need of in work support once they have achieved a successful job outcome.

Contact Brenda Turnbull, Five Lamps Organisation, Eldon Street, Thornaby. Tel 608316

Skills Audit – Shaping Stockton's Future – SBC Funding & Business/Stockton Residents

The focus of the project is to develop sustainability in the labour market by ensuring that the skills available in the community meet those of the emerging skill needs of local business. This will assist in raising the skills equilibrium of the local communities to meet the needs of the higher skills requirements of modern employers. An extension of an existing intervention, it has already provided vital information from residents as to the "real" barriers that are preventing them accessing employment or training and the type of work and training they want. The data has already influenced the Local Enterprise Growth Initiative proposal put forward to Government.

Contact Roland Todd, Funding & Business team, Stockton Borough Council, Municipal Bldgs, Church Rd, Stockton. Tel 526184

Stockton Online – SBC Neighbourhood Renewal/Newtown Resource Centre/Five Lamps/SIFC

Provides free access to ICT and broadband in community settings that allows community groups to deliver a range of provision and act as a gateway for residents to access services, such as, support in to employment and/or training. It provides accessible, peer supported learning facilities in non-statutory or formal learning locations, allowing beneficiaries from all backgrounds and means to enjoy, interact with and utilise ICT to access lifelong learning.

Contact Paul McGee, Newtown Community Resource Centre, Durham Road, Stockton Tel 614126.

ESF Objective 2 Priority 4 – Stockton International Family Centre

Provides support costs to the management and co-ordination of the European Objective 2 Priority 4 Package. This Package provides support to projects developed in partnership with the community for economic development by creating mechanisms for access to employment, training and capacity building within the community and voluntary sector. The European Funding that the package provides will enable the sector to maximise the other funding streams that are available to them, including NRF, by matching the various streams together in a cohesive manner.

Contact Sara-Jane Heslop, Stockton International Family Centre, Dovecot Street, Stockton. Tel 612400.

HEALTH AND WORKLESSNESS

Ground Level – P.A.N.I.C.

The project works with clients whose drug/alcohol addictions prevent them from competing effectively within the main stream provision. It will target those with low skill levels, those on long term Incapacity Benefit and Jobseekers Allowance, offenders/ ex offenders and lone parents.

Ground Level aims to provide opportunities for service users to gain:

Horticulture Level 1 and 2 NVQs

Basic Skills needs addressed, entry 3 national core curriculum -3792 literacy and numeracy

On going buddy support, counselling and mentoring

Contact: Tina Williams/Joyce Smith, P.A.N.I.C., Nelson Terrace, Stockton, Tel 614126.

STEPS – Community Steps

The STEPS Service provides support for vocational training and employment opportunities for adults with a disability. STEPS seek to build on peoples, aims and interests, develop skills and achieve realistic goals. Practical help is given is to help identify the steps required towards achieving and maintaining employment. They offer one to one support, practical advice and guidance to help individuals access opportunities and overcome the barriers to employment, helping build confidence, self esteem, recognise abilities and realise potential.

Contact: Lynn Wightman, STEPS, Clifton House, Teesdale South, Thornaby Tel: 352876

Voluntary Community Sector led – The Five Lamps Organisation

This intervention is made up of the following four elements: -

Ready for Work and Into Employment Grants – an essential/integral part of any worklessness initiative, providing finance for essential items (tools and equipment), training etc to enable the beneficiary to be up skilled and ready for employment. All grants to be validated by evidence of an offer of employment or the development of an employment plan. This funding will be used to support the gaps in the current grant regimes that are available ensuring that more people are able to access financial support to help them into employment.

Enterprise Grants – as above but for beneficiaries wishing to access self-employment. All grants to be validated by evidence of a full and detailed business plan, a confirmed start date, a working relationship with a Business Link broker or The Five Lamps Organisation and a business bank account. Grants could be used to provide working capital up to £500 as this provision is currently unavailable through existing grants.

Communities into Employment – a new programme employing outreach workers/advisors and working closely with existing local community groups to access clients. This proactive and innovative project will meet with residents in their own homes or at accessible venues within the priority wards to recruit economically inactive residents and provide personalised support to tackle barriers to work and gain sustainable employment.

Strengthening Links – a new forum for professionals working in the NRF themes and in partner organisations which seeks to design new services, establish inter-agency protocols, review social impact, review service quality and continuous improvement etc. The forum would be complemented by a beneficiary/user group.

Contact: Brenda Turnbull, Five Lamps Organisation, Eldon Street, Thornaby. Tel 608316

APPENDIX C

DEPRIVED AREA FUND CURRENT CONTRACTED PROVISION

Community Campus 87

Employability and Homelessness-Get Moving and Youth Works

This project brings a twin tracked approach to increasing the employability of homeless people and those affected by homelessness through the provision of a holistic service which seeks to engage with some of the hardest to reach, build confidence and raise self-esteem, remove barriers to accessing accommodation in the private rented and social housing sector and link clients to the employment, training and learning marketplace through accessing IAG services.

The project will have two clear strands; “Get Moving” and the “Youth Works” project.

Get Moving

Aims to provide a fully inclusive holistic and cohesive approach for those individuals who are hardest to engage and hardest to help who have experienced homelessness, failed tenancies and including those who have previously been substance users and those who are successfully engaged in a programme to reduce their substance use. The project will target members of the target group with identified short term housing problems which present a barrier to gaining and securing a tenancy, in turn severally affecting the individual's opportunity to access employment.

Youth Works

Is an innovative approach to meeting the needs of young homeless people and those affected by homelessness that are amongst some of the most distant from the world of work. The project will; seek to engage with, build up the confidence and self-esteem of the target group whilst developing personal and social skills which are transferable to the world of work. Bring experienced employment advice professionals to the target group in an environment, which is accessible, supportive and in a manner based on the establishment of positive working relationships and the development of trust.

Community Campus 87

Introduction to Construction and Employability-Middlesbrough, Stockton on Tees, Hartlepool

An innovative approach to enabling young people from the target group to gain valuable vocational and employability skills focused on working in partnership with e2e and training providers in the town(s) by providing a programme of on-site construction based opportunities working to renovate properties for homeless young people.

It builds upon the track record that Community Campus 87 and its Key Skills housing project has of providing learning and training opportunities for a range of economically and socially excluded people.

Cultures Community Interest Company

Cultures Unite

This will offer a tailored and accessible service supporting individuals from the BME, immigrant, and refugee communities of Stockton-on-Tees to overcome barriers to learning, employment and training. The provision of Cultures CIC services will be flexible, holistic, and client-centred and include customised provision of services relevant to clients to ensure all services are effective worklessness interventions.

Activities towards training and employment support for individuals include:

- A targeted employability programme that identifies a person's skills and abilities, introduces British work and business culture as a concept and provide individuals with the ability to compile a CV, fill out application forms and undertake interviews.
- Equivalency accreditation,
- Work experience through the Taste of Africa multi-cultural event and with other employers,
- Culturally sensitive pre-start business start up advice,
- Support for refugees and immigrants in new work environments
- IT training.

Five Lamps Organisation

CITB-Construction Skills Site Safety Training

The Five Lamps has recently established a C.I.T.B. approved test centre in Thornaby primarily funded by N.R.F. Results have been encouraging, however there is clearly a lack of affordable training available to the hardest to reach client groups. Clients have to self study in preparation for the on-line exam, which is not desirable for all individuals, as this form of study is not structured in any way and many in this hard to reach client group need individual tuition to help break the barriers they have with learning. Health and safety tuition will ensure pass rates are maximised, in turn enhancing client employability. Successful clients with a valid CSCS card or Site Safety Passport will have a much greater chance in finding employment in the market place. This certification has a clear impact upon the government initiatives to improve employability and reduce unemployment in general.

Five Lamps Organisation

Self-employment Animation

This proposal seeks to develop and deliver a bespoke pilot training programme for people wishing to consider self-employment as an alternative to unemployment. The Five Lamps recognise that many people do not look at self-employment as an option due to fear and confusion. Our pilot programme will show people in easy to understand materials and language how to remove the barriers and concerns and raise people's aspirations.

On completion of the programme clients will be able to access pre-start grants to enable them to fully explore and develop their business idea, with special emphasis on market research.

Engagement with clients will come from referrals from partner organisations, ie. Stockton Council, S.I.F.C., Walker Hall, Prince's Trust, and direct contact with local community groups.

This programme compliments the existing business development service offered by the Five Lamps and will meet a gap in the current provision available to clients.

Clients will continue to be supported through to start-up and until they are fully established and no longer require our support.

The Enterprise Academy

Work It out!

The programme is designed to use the medium of football to engage the learners, in using Middlesbrough Football Club as the model business, students learn through real examples drawn from this Premier League, multi million pound organisation. Work it Out! is a seven-week programme focussing on raising the aspirations and confidence of the learners. Specifically covering topics of enterprise, confidence building, communication at work, finding the right job, the recruitment process from CV's & covering letters through to the interview.

Objectives of the course would be to re – engage learners with the learning process, reinforce social skills, improve literacy and numeracy skills, utilise Information Technology to stimulate the learning process.

The project will engage 18-24 year olds and the needs of those with low skill levels. Sport will be used to motivate the learners, students will be involved in football and team games to break down barriers and bring about a cohesive team attitude.

Panic

Basic Skills Training, Introduction to ICT, and supported access to employment

The project aims to support 25 of the most disadvantaged to be given supported learning within the home, these will be drug users and those in rehabilitation. This approach seeks to address the barriers faced by substance mis-users in the home. These clients face issues of childcare, and alongside health related factors, which mean that they are unable to travel. This excludes them from participating in mainstream provision, even when based within their own communities.

Users of the project will be in receipt of Incapacity Benefit, Severe Disability Allowance, Income Support or Job Seekers Allowance.

The project will enable those gaining qualifications to overcome the initial barriers to and stigmas users and ex users associate with statutory service provision. A tutor working alongside the buddy service, will aim to build confidence and self esteem which will provide the stepping stone to enable users to engage with other service providers, and provide the exit strategy for the individual.

Safe in Tees Valley

Motivation and awareness

This course is offered to any individual who is interested in a career in the Fire Service. There is no promise of employment with the Brigade as a result of participation but trainees gain an insight into what would be expected of them and the level of fitness and academic ability required.

Additionally, trainees find the experience a boost to confidence as they engage with the instructors (all serving off duty fire-fighters) and face the challenges the day brings. Not everyone leaves wanting to join the Fire Brigade but feedback suggest they depart more motivated to make something of their lives

It provides a 1-day programme based around raising awareness of a career in the Fire Brigade. This provides practical advice on completion of application forms, CV preparation, interview techniques and psychometric testing. This is followed by a

series of physical and practical tests based on Brigade requirements. Finally trainees have the opportunity to develop an action plan arising from what they have learned about themselves and their potential.

Shaw Trust

Stockton Project

To run accredited courses in horticulture for people with learning disabilities. On site training would be supplemented with work placements, with an end goal of increasing client employability. Courses will be provided in our existing facilities. These include a training room and accessible Polytunnel, essential for equal access to the project. Existing staff and volunteers will deliver this additional service. The project will support 32 beneficiaries, of which it is anticipated that 18 will work towards and achieve the OCR – National Skills Profile, Horticulture entry level 3.

Turnaround Homes

Farm Project

The project will adopt a hands on approach to encourage disadvantaged/ offending young people to engage in activities of their interest. Specific activities in the areas of ceramics, painting, joinery and IT will be provided as will the opportunity to achieve a Level 1 NVQ in Horticulture. The key of the project will be to facilitate activities that young people actively participate in, in order to maximise their personal and employment potential. As well as providing the above, this approach is proven to increase the confidence, self-esteem and motivational behaviour of the young people, which are vital skills in the route to employment.