



Chapter 6

Delivering sustainable employment

Jobcentre Plus and public, private and third sector providers will have more flexibility to help people back into work.

We will develop a commissioning strategy which secures specialist support from the public, private and third sectors for those who are hardest to help.

We will harness community talent to form effective partnerships in local areas with all who can help us support people to move into work and help people develop their skills.

The Department and Jobcentre Plus, together with the Department for Innovation, Universities and Skills and the Learning and Skills Council, will progressively join up processes to underpin the integration of employment and skills.

Chapter 6 – Delivering sustainable employment

When deciding how to help people move into work we will ensure that our approach reflects our core principles. In particular, we need to embed our principles of a personalised and responsive approach, an emphasis on skills, stronger partnership working and a focus on local communities in our approach to helping people into sustainable work.

This section covers how we will deliver our employment agenda focusing on:

- A. The central role of Jobcentre Plus;
- B. Delivering employment programmes in partnership;
- C. Empowering local communities; and
- D. Working with employers – Local Employment Partnerships.

A. The central role of Jobcentre Plus

Jobcentre Plus has been very successful in helping to raise the overall employment rate, reduce child poverty and tackle long-term unemployment. We will build on this success, placing Jobcentre Plus at the heart of the welfare to work system. Jobcentre Plus will work with individual customers, employers, providers and others to ensure that jobseekers can access the services they need from the welfare to work system and ensure customers have the skills employers need so that they can gain, sustain and progress in employment.

Jobcentre Plus has led the world in integrating benefits and employment services, ensuring customers receive their rights and meet their responsibilities. Now, in addition, Jobcentre Plus will be a gateway into the integrated employment and skills service. As well as jobsearch support, Jobcentre Plus staff will identify those with basic literacy, numeracy and language skills needs when they first claim benefit and refer them to a Skills Health Check provided by the new adult advancement and careers service. Adult advancement and careers service advisers will be co-located, where appropriate, alongside Jobcentre Plus advisers, to work with customers to build their identified employment-related training needs into an action plan.

As part of the increased flexibility in the system as a whole, Jobcentre Plus advisers will also be given greater flexibility to deliver the support that each customer needs. The best results are achieved where advisers provide a clear work focus whilst being innovative and proactive in addressing the customer's barriers to work. We will give greater discretion and flexibility to advisers and their managers to tailor interventions to meet the needs of customers and focus support where it will do most to deliver positive outcomes. This will include supporting customers in work as well as while they are out of work. Jobcentre Plus will use its reward and recognition systems to encourage staff to adopt an individualised and flexible approach to customer needs.

Jobcentre Plus will take ownership of the individual's overall experience of the welfare to work system. Its staff will help customers to navigate the system and be available throughout a claim to give support to access related services. Jobcentre Plus advisers will work alongside other public, private and third sector organisations in support of their customers, bringing in additional expertise where required to help the customer find sustainable work.

In particular, Jobcentre Plus will work increasingly closely with local authorities in delivering Housing and Council Tax Benefits to those who wish to claim them. The aim is both to improve the service offered to customers and to ensure that the complexity of the benefits system does not act as a disincentive to returning to work.

Jobcentre Plus will also play a central role in informing supply and demand decisions at a national and local level. Its people will work closely with employers and other partners, particularly local authorities and Local Strategic Partnerships, to understand local labour markets. These strong relationships with employers will enable Jobcentre Plus to deliver Work Trials and pre-employment training, refer people to the new adult advancement and careers service for help with skills, and identify flexible working opportunities for those who need them. Local Jobcentre Plus managers, working with employers through Local Employment Partnerships and other agencies, such as the Learning and Skills Council, will be able to secure suitable pre-employment provision to meet the specialised needs of their area. Jobcentre Plus will also continue to improve their approach by learning from the innovative approaches to employer engagement being developed through the City Strategy.

By understanding demand and working closely with partners such as local authorities, the Learning and Skills Council and childcare providers, Jobcentre Plus will ensure that the right provision is available to deliver sustained work outcomes for all individuals out of work.

B. Delivering employment programmes in partnership

One of our core principles for tackling unemployment is to form strong partnerships with the public, private and third sectors to get more people into work. The Green Paper explained our aim of unlocking the best value from resources through targeting efforts and expertise appropriately to help people who face the greatest challenges in moving into work. Working in partnership will let us harness expertise, support specialised programmes and encourage innovation and sharing of good practice.

We currently have a patchwork of provision, with contracts of different sizes and structures, and variations in delivery and management requirements. This can be inefficient and less effective than we want or need. We believe that there is real value to be gained by simplifying and rationalising contracts over time and by taking a more strategic approach to the commissioning of employment programmes. This will see us move towards longer and larger contracts under which providers are paid significantly more according to the outcomes they deliver.

“I am in favour of the jobcentre working more closely with other organisations to help the more challenging customers back into employment.”

Jobcentre Plus adviser, Poole

The Green Paper outlined four key principles behind our future commissioning approach: quality provision; competition to drive value; outcome-based contracts with increased flexibility for providers; and minimum standards for all. On the basis of these, and the further exploration of David Freud’s proposals, the consultation went forward.

In response to the consultation we are committed to publishing a commissioning strategy in late February 2008. This will set out the type of provider we want to do business with and how that relationship will be managed going forward. **Our priorities will be to focus on what works best for jobseekers and to provide value for money for taxpayers.**

On 27 November 2007 we published the *DWP Commissioning Strategy – interim report*. This sets out our emerging thoughts and questions for further consultation on:

- market structure;
- market development and stewardship;
- provider capabilities;
- commercial strategy;
- performance management; and
- customer experience.

We continue to welcome views from stakeholders on the questions laid out in the *DWP Commissioning Strategy – interim report*. Our commissioning strategy will be published in late February 2008.

In addition, we will seek to test other principles and arrangements through other programmes or pilots. For example, the Government proposes to pilot an approach where providers who are successful in moving people into sustained employment, an outcome which would also help reduce benefit spending, are rewarded with increased funds to invest in further activity.

C. Empowering local communities

Working in partnership is also vital at the local level – particularly when it comes to tackling persistent concentrations of labour market disadvantage. These concentrations can be highly localised, often within our major cities and urban areas – and we believe that part of the solution lies in tapping into the energy, ideas and expertise of local people. That's why one of our five principles of welfare reform emphasises the need to empower and involve local communities.

A great deal of employment and skills activity already takes place below the national level. Many local authorities take an active role in providing additional support to people not in work. Local Employment and Skills Boards, consisting of key local partners, already exist in some areas. And third sector organisations often have strong links with particular neighbourhoods or communities. To capitalise on the value these local players can add, the Department needs to develop an approach to local partnership working which:

- engages all key players at the local level, including communities, government agencies, local authorities and the public, private and third sectors. This will include engagement with the Local Strategic Partnerships in England;
- helps those key players to coordinate and plan their contributions to the employment and skills agenda;
- enables localities to innovate, and to complement mainstream provision with support tailored to local needs; and
- is flexible enough to meet the varying needs of different areas – including the differing local structures across England, Scotland and Wales.

Understanding local challenges

Flexibility and localisation will help us to address the specific needs of local areas.

Despite many jobs being available in London, the capital city has the lowest employment rate of any region in the UK, 69 per cent compared to the UK rate of 74 per cent. In Tower Hamlets the employment rate falls to just 54.6 per cent. Overall 1.5 million people in London, about 30 per cent of the working age population, are not in work.

The higher level of worklessness within the city is largely due to the different make-up of the population. London has a high concentration of people from those social groups – students, people in social housing, ethnic minorities and lone parents – who are less likely to be in work. London's labour market is further complicated by the high numbers of commuters competing with residents for jobs, and by the fact that childcare costs are higher than elsewhere in the UK.

We are taking steps to help meet the unique needs of our capital city. London has two City Strategy pathfinders which bring together local partners to coordinate resources and test new ways of delivering employment and skills services.

The Mayor chairs the employer-led London Skills and Employment Board which drives forward the adult skills agenda for the capital. The Board published its strategy for consultation on 30 October 2007³⁹.

We are also working to better understand the specific challenges facing smaller areas across the country, including coastal towns. Although the number of people claiming out of work benefits in coastal towns has generally fallen, some coastal towns have seen a slight increase in the number of people claiming Incapacity Benefit.

We are setting up a cross-Whitehall working group, as well as working with relevant stakeholders (such as local government and Regional Development Agencies) to establish a coastal areas network, sharing best practice in regeneration.

A number of coastal towns (Blackpool, Bournemouth, Poole and Weston-Super-Mare) are also set to be part of the first wave of Multi Area Agreements. This will enable local councils to work together to set collective priorities for tackling employment and enterprise issues within their area.

³⁹ <http://www.london.gov.uk/lseb/docs/proposalboardstrategy.pdf>

The City Strategy

The City Strategy has been developed in order to test different local approaches to partnership working, and a new relationship between those local partnerships and central government. In 15 pathfinders⁴⁰, covering areas of labour market disadvantage, local partners have come together to build a common understanding of the problems they face, and a shared vision to do better. They are now putting in place strategies and programmes to deliver a significant increase in their local employment rate, and to get more local people off benefits and into work.

The Department is providing ongoing support to these partnerships. Each has benefited from seed-corn funding to build capacity and support the development process. And over this year and next, £65 million from the Deprived Areas Fund will be devolved to the City Strategy pathfinders to support the implementation of their local plans.

We have worked with pathfinders to ensure that they genuinely represent and empower local people. Diversity has been an important theme. We continue to support and encourage pathfinders to engage with local people, including by increasing ethnic minority and female representation on pathfinder boards.

Where pathfinder areas have a significant ethnic minority population, we have also supported the development of explicit local targets to increase the ethnic minority employment rate.

The City Strategy represents a new approach for the Department, and local partners are rapidly developing their own expertise. To make sure that we capture the lessons of this approach to foster innovation and spread good practice, we have put in place a learning network – bringing pathfinders together to share their experiences and learn from one another. Locally determined approaches will be key to the success of the City Strategy – and may throw up broader lessons. We will ensure that this innovation, and the expertise of the pathfinders, is fully and appropriately utilised.

Local areas and the Working Neighbourhoods Fund

In England every area currently has a Local Area Agreement. From 2008 this will become a much more powerful framework for devolution and the Local Strategic Partnership will have a stronger role at the heart of it. This will set out a single set of priorities for the area agreed between central government and local authorities and their key partners at the local level. Local authorities and other partners, including Jobcentre Plus and the Learning and Skills Council, will be responsible for working together through the Local Strategic Partnership to agree the priorities in the agreement and to deliver the targets set against those priorities.

⁴⁰ East London, West London, Greater Manchester, Liverpool, Tyne and Wear, Nottingham, Birmingham, Coventry and the Black Country, South Yorkshire, Leicester, Blackburn, Glasgow, Edinburgh, Dundee, Rhyl and Heads of the Valleys.

The City Strategy provides one vehicle for working across boundaries on employment and skills. Building on Local Area Agreements, the local government white paper⁴¹ set out a new mechanism. From April 2008, where a group of local authorities and their partners agree to take action together to tackle employment issues, it will increasingly be possible to do this through a Multi Area Agreement. These agreements will give local authorities a new framework to work together at a sub-regional level in order to promote prosperity and development. The approach will be piloted across 13 areas next year, and will contribute to the Government's drive to ensure that every region benefits from rising national prosperity.

To help local authorities and their partners contribute to this agenda, they will also have more freedom to decide how to spend the money they receive from central government. Councils will be given greater flexibility to focus some of their funding on community priorities – including worklessness.

A new Working Neighbourhoods Fund, established jointly by the Department for Work and Pensions and Communities and Local Government, will help to supplement support and encourage enterprise in areas of England with high unemployment. The fund, worth £1.5 billion, will be available for three years starting in April 2008, and will focus on England's most deprived areas – including many inner-city areas that are home to ethnic minority communities. The fund will support councils in these areas to work in partnership to develop tailored, community-led approaches to getting people back to work.

The combination of Local and Multi Area Agreements and the Working Neighbourhoods Fund will enable us to continue working with local partners in England to develop and refine our approach to localisation. Beyond 2009 we envisage that City Strategy pathfinders in England will work through the same structures, becoming an integral part of the local partnership framework.

D. Working with employers – Local Employment Partnerships

Our relationships with employers are key both to improving people's skills and getting our customers into work. They help to increase the number of jobs our customers can access. At the same time they encourage employers to be ready and willing to employ the people who are looking for work and may have more challenges to get a job.

In our healthy economy, with jobs being created every day and well over 600,000 vacancies at any one time, the opportunities to work are there. A crucial part of the way in which we support people to move off benefits and into work is to secure strong and effective links between Jobcentre Plus and employers.

⁴¹ *Strong and prosperous communities – the local government white paper*. October 2006.

While Jobcentre Plus already has significant day-to-day interaction with employers, we identified the need to strengthen this relationship. In the 2007 Budget Statement, Gordon Brown announced the introduction of new Local Employment Partnerships. These partnerships strengthen the relationships between Jobcentre Plus and employers and provide a premium job broking service for employers, in return for a stronger than normal commitment to taking on recruits from disadvantaged groups.

To provide even more job opportunities up and down the country, we announced the 'Jobs Pledge' whereby major employers (public and private) would make a commitment with Jobcentre Plus to offer a quarter of a million job opportunities for people who face greater challenges moving into work. In return for giving them a fair shot at the jobs on offer, Jobcentre Plus agreed that customers would get the preparation and training they needed for the jobs on offer.

Employers have told us that they welcome the opportunity of working more closely with Jobcentre Plus and the Learning and Skills Council to grow their own workforce through a seamless service of 'recruit, train and retain'.

To make the most of the support we offer to people to move back into work and the employers they work for, we need to ensure that pre- and post-recruitment support is considered as part of a whole package. In part, this will be done by Jobcentre Plus and the Learning and Skills Council (in England) improving how they work together. We are working with the Devolved Administrations in Wales and Scotland to align our approaches. Additionally, agreement has now been reached with nine Sector Skills Councils on the content of two-week pre-recruitment courses that will provide recruits with the core presentation and attitudinal skills relevant to the sector. Once in employment, Local Employment Partnerships can provide a link to the new adult advancement and careers service and Train to Gain, enabling individuals to develop skills which will improve their prospects, but which also meet employers' needs. This approach allows employers the opportunity to train recruits in the particular skills needed by their own companies through Train to Gain, either in-house or on providers' premises.

How we will take things forward

At the heart of Local Employment Partnerships are the relationships between Jobcentre Plus and individual employers. These relationships are flexible, but always involve Jobcentre Plus and employers working together to increase the employer's ability to recruit effectively and efficiently from the diverse groups of jobless people who Jobcentre Plus is helping back to work.

To make those relationships work effectively at a local level, Jobcentre Plus enlists the support of its many partners, including training providers, with the aim of ensuring that people acquire the attitudes, confidence, behaviours and skills required to obtain and retain employment.

Progress to date is encouraging:

- Jobcentre Plus has now secured the commitment of over 250 employers to working through Local Employment Partnerships...
- ...and expects that figure to exceed 300 by the end of March 2008.
- That degree of commitment to partnership working from employers will ensure that Local Employment Partnerships are able to achieve their objective...
- ...which is to help 250,000 disadvantaged jobless people into work by the end of 2010.

Local Employment Partnerships so far

To date, Local Employment Partnership 'jobs pledge' employers have been primarily large national employers – including many with more than 100,000 employees – and key regional employers such as local authorities.

Jobcentre Plus is now working with employers across 11 key employment sectors covering an ever widening range of employment opportunities.

Our drive to engage more employers does not stop there. While Jobcentre Plus has so far concentrated its focus on larger employers, it is now targeting small- and medium-sized employers in rural and other areas. Such employers have fewer vacancies, but can still provide valuable opportunities for our priority customers. To make this more effective, local districts have the option to group employers by sector and type to provide the customer preparation and training needed for smaller businesses. This is in line with suggestions from some smaller employers who were keen to be involved in Local Employment Partnerships. They recognised that they could not offer a significant number of opportunities to people, but that if their opportunities were considered alongside those of other employers from within their sector it would be possible to deliver Local Employment Partnerships with a similar commitment to pre- and post-employment training.

Responses to the consultation underlined the importance of regional and local organisations – as well as central government – working more effectively together to help employers find candidates with appropriate skills. Agreement has been reached with the Learning and Skills Council (in England) to support the development of specific pre-employment training to meet employers' needs. This will be supported by a toolkit that can be offered to employers as an off-the-shelf recruitment and job preparation solution. Nine Sector Skills Councils have helped design the pre-employment training material to ensure it meets the needs of employers in different sectors.

Leading by example: the Government as employer

“PCS welcomes major employers agreeing to offer job opportunities to those at a disadvantage in the labour market. PCS believe that for this to work DWP and Jobcentre Plus in particular must become the standard bearer as one of the largest employers in the country.”

Public and Commercial Services Union

The Government is a major employer in its own right. There are over half a million civil servants directly employed by Government departments and their agencies. Public services, just as much as private businesses, can provide Local Employment Partnership opportunities.

The Department for Work and Pensions has begun to implement its own Local Employment Partnership, using New Deal opportunities and in work mentoring. Building on this, a group has been set up to extend commitment to this initiative to all Government departments and it is working to see how best practice in the Department for Work and Pensions can inform other departments' approaches or recruitment processes.

Local Employment Partnerships are a prime example of how skills and employment can be brought together in a way which makes sense for the employer and potential employee alike. They promote our agenda of retention and progression in work. They give added confidence to people who may have been on benefit for a long time by demonstrating that jobs are available to them if they take up the support on offer. We will continue to build and develop our relationships with employers with great vigour to give our customers the confidence to take advantage of the jobs on offer, knowing that they will be given a fair crack at the job.

Milestones

February 2008 Publish Commissioning Strategy.

End of 2010 For Local Employment Partnerships to have helped 250,000 people into work.