

BIRMINGHAM, COVENTRY AND BLACK COUNTRY CITY REGION*

CITY STRATEGY BUSINESS PLAN

JUNE 2007 UPDATE

**The City Region covers the local authority areas of:*

Birmingham

Coventry

Dudley

Sandwell

Solihull

Telford

Walsall

Wolverhampton

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1. VISION AND STRATEGY

1.1. Vision

- 1.1.1. The leaders of Birmingham, Coventry, Dudley, Sandwell, Solihull, Telford, Walsall, and Wolverhampton Local Authorities have come together with the West Midlands Regional Assembly, the West Midlands Local Government Association, the Regional Development Agency, the Learning and Skills Council and Job Centre Plus to set a new vision for The City Region. This vision is that:

In 2020 the Birmingham, Coventry and Black Country City Region will have high levels of personal prosperity, business success and population growth equal to those in the South East of England with every individual realizing his or her full potential...

- 1.1.2. However, our ability to achieve this vision depends on the employability and skills of our workforce. A more diverse, knowledge intensive economy will only be created across the City Region if we increase participation rates and ensure that the adult workforce are able to acquire the additional skills demanded by the knowledge economy. We will only achieve a more inclusive, sustainable economy if all individuals are encouraged and supported to achieve their full potential and share in the growing economic prosperity.

1.2. City Strategy

Strategic Objectives

- 1.2.1. The **City Strategy**, therefore, is key to the achievement of this overarching vision. Our **City Strategy** objectives are to:

- Increase skill levels to ensure that the workforce has the skills to compete in the global economy by delivering an employer led and skills for growth agenda.
- Improve participation and progression across the City Region to allow individuals to progress into and sustain employment with vocational training support.
- Tackle worklessness by enabling employers to understand the benefits of our diverse population and to gain commitment to increasing recruitment from disadvantaged areas and groups.
- Remove barriers to employment to assist the economically inactive into work by strengthening partnership working and taking a joint approach.

- 1.2.2. In pursuing these objectives we will ensure that we maximise the potential of the population of the City Region which is the most diverse and youngest of any comparable urban area in Europe. We will focus on the priority groups as outlined in the Green Paper on welfare reform. "A New Deal for Welfare: Empowering People to Work" and the Public Service Agreement targets. We will target our efforts to help disadvantaged groups of people within the most disadvantaged wards to access the labour market in a competitive manner.

We will ensure a focus on combating child poverty and ensuring equality of outcome for all individuals.

1.2.3. The City Strategy will focus on reducing levels of worklessness within the 55 most disadvantaged wards in the City Region (outlined at 2.1.19 below). This will allow us to tackle the most significant and stubborn areas of worklessness, while at the same time aligning with wider City Region objectives.

1.2.4. Our overriding outcome is, by 2012, to:

At least half the gap between the City Region employment rate and that of the priority wards.

1.2.5. In doing this we also realise that the City Region, and in particular the most disadvantaged wards has a particularly high proportion of people with no qualifications and with lower levels of ability. There is also a clear gap between the expectations of those seeking employment within these communities and the current and projected City Region vacancies. This mismatch between demand and supply arises in part from the industrial restructuring that has taken place in recent years and has huge implications on learning interventions.

1.2.6. In future the restructuring of the Region's economy is set to continue with significant shifts in the balance of employment demand. Whilst there will still be a reliance on manufacturing industries, employment decline in this sector is set to continue against significant projected growth in service sector employment.

1.2.7. Estimates suggest that there will be a total demand of around 350,000 new recruits by 2015 80% of which will be by way of replacement demand. There will be fewer jobs for people with no qualifications and more complex skills will be required as a foundation for specialist skills development, whether in employment or as pre-employment support.

1.2.8. Therefore, a joint outcome is to:

Increase the skills levels of individuals within target wards linked to employer and labour market needs in order that they can sustain and progress in employment.

Key Outcomes

1.2.9. By 2012 success will be demonstrated through achievement of the below:

- To at least half the gap in employment rates between the most disadvantaged communities (the target wards) and the rest of the City Region, reducing the numbers of claimants of the main workless benefits (those on JSA, Incapacity Benefit, Lone Parent, income support) by 17,974
- To make significant progress in closing the gap between the proportion of unqualified people in most disadvantaged communities (the target wards) and the rest of our City Region by:

- Increasing enrolments to first level 2 qualifications of working age individuals from the priority wards by 3% per annum
- Increasing enrolments to Skills for Life qualifications of working age individuals from the priority wards by 5% per annum
- Public Sector employers to set clear targets for recruiting from the most disadvantaged communities (the target wards)
- To have put in place and established a Progressive, Integrated and Employer-led Employment and Skills System
- To have put in place an integrated Regional Business and Skills Support model.

City Strategy Approach

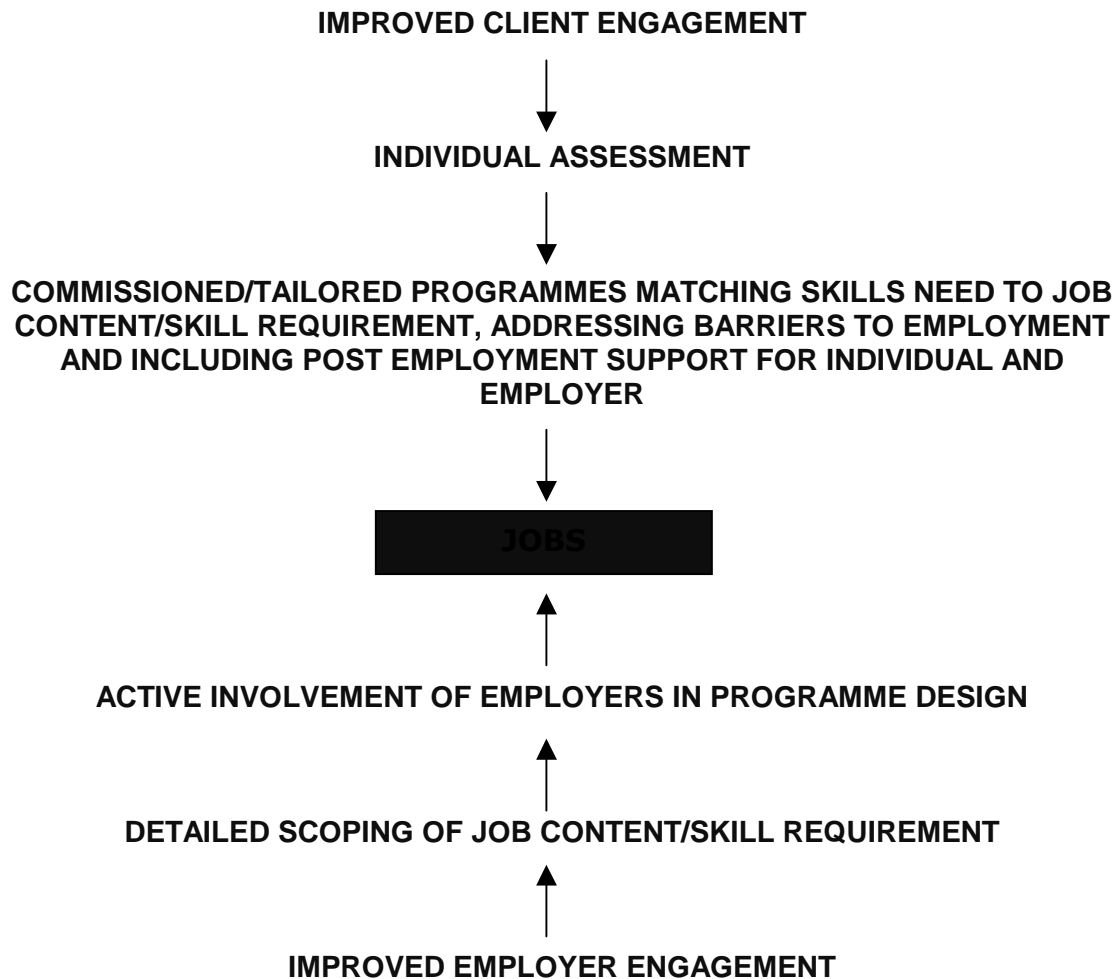
1.2.10. We will pursue achievement of City Strategy objectives by developing a progressive system of pre and post employment support to ensure a **continuum/skills escalator** to enable individuals, especially those who are workless, to access and sustain employment, responding to the changing labour market; the increasing number of higher level skilled jobs; and the decreasing number of lower skilled jobs.

1.2.11. We will bring about radical changes to the delivery of employment and skills creating an **Integrated Employment and Skills System** matching the job and skills requirements of employers with programmes to assist workless individuals. This will allow us to exponentially enhance the quality, scale and range of services available to the most disadvantaged groups, in particular those claiming Incapacity Benefit, lone parents, BME communities and inactive groups outside the Benefit System. We will create a **Core Client Offer** integrating a range of personal support services with employment and training.

1.2.12. We will increasingly **link adult skills provision to employment outcomes** – especially for people not in work – creating bridges into employment. This will involve putting employers and employer leadership at the heart of our delivery strategy through the creation of **Employment and Skills Boards** and a new **Employer Brokerage Service**.

1.2.13. All activity will be underpinned by the creation of a **City Region Joint Investment Plan** aligning funding and resources across all public agencies, the voluntary and community sector and private sector delivery partners. We will learn from best practice and eliminate gaps and fragmentation in employment and skills services.

1.2.14. Our integrated system is outlined below:



1.3. Link with Wider Policy Context

- 1.3.1. The final report of the **Leitch Review of Skills** published on 5th December 2006 sets out a clear vision for the UK highlighting the need to urgently raise achievements at all levels of skills and commit to becoming a world leader in skills by 2020. This will mean doubling attainment at all levels of skills and securing a joint commitment from Government agencies, employers and individuals.
- 1.3.2. This is especially pertinent in the Birmingham, Coventry and Black Country City Region where there is projected to be a greater demand for higher level skills and a lower demand for people with no qualifications - by 2015 there will be a 35% growth in jobs requiring Level 3 and 4 qualifications and a 40% reduction in the number of jobs requiring no qualifications.
- 1.3.3. The Leitch review also highlights that employment opportunities for the lowest skilled will continue to decline with economic security in the future economy dependent on ensuring people have a platform of skills that they can update in response to economic change. Main recommendations include the creation of a new integrated employment and skills service, based upon existing structures, to increase sustainable employment and progression. This will seek to:

- improve basic skills for those out of work, embedding this support for disadvantaged people and repeat claimants;
 - ensure a single objective of sustainable employment and progression opportunities; and
 - develop a network of employer led Employment and Skills Boards, building on current models, to influence delivery.
- 1.3.4. A further objective is for all individuals to have a greater awareness of the value of skills development and have easier access to the opportunities available. Workless people will have a better chance to find a job through effective diagnosis of their skills needs and greater support as they make the transition into sustainable work.
- 1.3.5. Individuals will have more chances to gain a full Level 2 qualification and basic skills in the workplace through Train to Gain. Employers will have more influence over skills strategy within a simplified system, greater incentives to invest in skills across all levels; advice through expanded skills brokerage and increased assistance for workplace training.
- 1.3.6. The City Strategy approach that we are pursuing is directly aligned with this agenda in that we are:
- ensuring a balance of responsibility between individuals, employers and key agencies for skills and employment development;
 - better communicating and responding to employer skill needs;
 - introducing improved pre and post employment interventions to improve sustainability of employment; and
 - developing a single service for workless individuals.
- 1.3.7. We are putting in place local employer-led Employment and Skills Boards and developing a Joint Investment Plan for the City Region to join up and guide activity of all partners in this area.
- 1.3.8. The Government is committed to reaching full employment by 2020, that is an employment rate of 80% and where:
- everyone who wants to work can quickly find a job;
 - no groups are excluded or disadvantaged in the labour market;
 - there are real prospects for progression at work; and
 - poverty in work is eradicated, and there is fulfilling employment for all.
- 1.3.9. In its '**New Deal for Welfare: Empowering People to Work**' Green Paper in February 2006 the Government states that 'tackling the problems of cities is central to meeting the Government's aims of increasing prosperity and reducing poverty and social exclusion'. Through the City Strategy we aim to achieve this by testing innovative approaches for the provision of employment and skills support which could potentially inform Government policy and practice over the coming years.
- 1.3.10. The Green Paper aims to reduce, in particular, the number of IB claimants by 1 million. It also sets out proposals to extend support to help a further 300,000 lone parents into work and to help 1 million older adults extend their

working life. It also recognises the need to further improve the processes and structures to deliver welfare reform, through:

- strengthening the involvement of private and voluntary sector providers in the delivery of employment support programmes and in engaging with 'hard to reach' groups; and
- delivering a more coordinated and integrated programme of employment, skills and health support for those seeking to return to the labour market, particularly in the most employment deprived cities and city regions.

1.3.11. Through the City Strategy we support this agenda by bringing together local partners, including employers to work together to raise local employment rates and bring about greater co-ordination of existing support and funding streams.

1.3.12. We will integrate supply and demand side interventions and tackle barriers experienced by both employers and workless individuals. We will harness the role of the public sector challenging where they can promote positive action to create employment and training opportunities for target individuals. We will join up activity between local partners, integrating training provision with employment support and to make local training provision more employer driven. We will also integrate other support services with our activity including health.

1.4. Link with Other Regional and Sub-regional Strategies

1.4.1. As outlined above the City Strategy is central to the achievement of the wider vision and strategy for the City Region. Our City Strategy approach is founded on the principles that it will build on existing structures and working arrangements and operate within the wider context of **Local Area Agreements (LAAs)**, adding value to LAA targets.

1.4.2. The City Strategy will promote and enhance the unique roll of public agencies on economic development. In particular this focus on the public sector as an employer and investor in local skills. We will build on the work of the **Public Service Compact**, extending this throughout the City Region and gaining clear commitment to baselining of employment rates in the target wards and establishment of clear target increases in recruitment from City Strategy target groups. A major increase in the number of public service apprenticeships will be a key part of the package.

1.4.3. We will work with local authorities to secure greater commitment to local employment from developers. We have already embarked upon detailed discussions with one of the major **Housing Market Renewal Areas** on how we best integrate our work into their delivery plan. Local Authority housing and regeneration officers have agreed in principle to developing a joint protocol on construction employment related to housing developments. We are also working to ensure that Growth Point areas are aligned to the City Strategy and examining the potential around an investment plan for employment and skills with the Regeneration Zones in the City Region.

- 1.4.4. Given the high numbers of incapacity benefit claimants within the City Region engagement with health is essential to the success of the City Strategy. We are placing particular emphasis on engaging with primary health care services and mental health services in developing City Strategy interventions. We have commenced strategic and operational discussions with the regional **Strategic Health Authority** which we will be feeding into City Strategy implementation.
- 1.4.5. We are also working to align **Pathways to Work** with the City Strategy. For the first phase Pathways to Work programmes (taking place in the Black Country and Birmingham and Solihull) a joint working group is being established to agree a protocol through post tender negotiations, we will then work to confirm and refine this protocol through post tender negotiations.
- 1.4.6. With second phase Pathways to Work (in Coventry and Warwickshire and Telford – The Marches) we intend that the City Region is fully involved in the procurement process and that the City Strategy approach is integrated into the tender specification. The aim being to have a fully integrated programme from April 2008.
- 1.4.7. We will link with the **Local Enterprise Growth Initiative (LEGI)** in Coventry and build on work undertaken on LEGI bids elsewhere throughout the City Region to ensure that the City Strategy includes new and innovative approaches to raising the awareness of enterprise/self-employment in the target wards. We will also work with Advantage West Midlands to ensure that the **Enterprise Brokerage** service is integrated with City Strategy activity.
- 1.4.8. The City Strategy will complement our approach to working with 16-19 year olds, especially those interventions focused on the **NEET** (not in education, employment or training) group. This will ensure a dual approach to tackling the problem of worklessness in the City Region focusing on prevention as well as cure. This will see joined-up and partnership working to ensure our young people are supported to participate and progress in the labour market via the development and commissioning of bespoke programmes which mirror the City Strategy work.
- 1.4.9. The outcomes and targets established for the City Strategy will form the basis of the employment and skills element of the City Region **Multi-Area Agreement (MAA)**. Individual **Local Area Agreements (LAAs)** will feed into this wider agreement. A key part of the City Strategy Implementation will be working with Local Authorities to ensure the alignment of LAA outcomes in this area and of activity to achieve these outcomes. The targets established for the City Strategy will complement LAA targets.
- 1.4.10. Our approach will remove duplication and plug gaps in the provision of services and ensure a core client entitlement pre and post employment. Through the City Strategy we will develop a single strategy for the commissioning of programmes and services which will add value by ensuring strategies are developed more fully in response to local needs and issues.
- 1.4.11. We will also add value through the strategy by aligning funds targeted at worklessness, including existing Area Based Initiatives. The City Strategy will strengthen existing local structures such as neighbourhood management by integrating mainstream and community/voluntary sector services and enhancing JCP and current intermediary services.

2. LOCAL CONTEXT

2.1. Local Analysis

Labour Skills and Demand Issues

Labour Demand

- 2.1.1. There has been a distinct shift in the types of employment within the City Region. Whilst there is still a heavy reliance on the manufacturing industries for employment amongst the male population, the last 5 years have seen a steady decline in this sector against growth in service industries such as retail, catering, distribution and the health sector.
- 2.1.2. There will be a need for 350,000 new recruits to the labour market by 2015 – 80% of these jobs will be by way of replacement demand.
- 2.1.3. The key growth sectors will be:
- Professional/Business Services with 50,000 additional jobs.
 - Health & Care with 25,000 additional jobs.
 - Retail, Wholesale and Distribution with 20,000 additional jobs.
- 2.1.4. There will also be a major shift in the occupational and skills mix with:
- 90,000 more managerial, professional and specialist technical jobs
 - 75,000 less routine unskilled jobs.
- 2.1.5. In terms of future skills demand there is projected to be a greater demand for higher level skills and a lower demand for people with no qualifications, by 2015:
- 35% growth in jobs requiring Level 3 and 4 qualifications
 - 40% reduction in the number of jobs requiring no qualifications
- 2.1.6. Therefore, even for those in work, the need for basic skills and qualifications is becoming increasingly more important as the demand for skilled labour grows and there is a commensurate decline in unskilled jobs. There growing demand for associate, professional and technical skills at Level 3 and above is particular pertinent for knowledge based industries and growth sectors supported by the 3 high technology corridors based in the City Region area.
- 2.1.7. There are now more employers in The City Region (27% compared to 23% nationally) who are facing a skills shortage, these account for over a quarter of City Region employers. The highest proportions of vacancies unfilled for 6 months or more tend to be in personal service occupations, sales and customer services occupations and in skilled trades and professional occupations.

Labour Supply

2.1.8. The City Region has a working age population of 1.55 million. However within this we have a particularly high and growing population of people from groups that are less likely to be well qualified and more likely to face barriers to employment. There is a much higher proportion of Black and Minority Ethnic Groups, 19% compared to 3% in the region as a whole. The age profile is much younger with 21% of the population below 16, compared to 18% in the rest of the West Midlands. The working age population is ageing with a 14.5% increase in the number of those over the age of 50 by 2015.

2.1.9. Therefore, the fastest growing groups in the working age population representing the major source of labour market supply are ethnic minority groups and older people. By 2015 there will be:

- 135,000 fewer white working age people.
- 130,000 more ethnic minority working age people.

2.1.10. Similarly there will be:

- 55,000 fewer 25-45 year olds.
- 60,000 more 45-65 year olds.

2.1.11. These changes will have different implications for different industrial sectors. Manufacturing, for example will lose older, mainly white workers, but it currently employs relatively few younger workers from BME communities, which may limit the opportunities to attract new workers to jobs or specific training. Similarly people of Bangladeshi and Pakistani origin make up only 1.5% of the health care workforce, yet attracting people from these communities will be important to meeting future employment demand.

2.1.12. The City Region has a particularly high proportion of people with no qualifications and with lower levels of educational attainment (in both the working age population and in terms of GCSE results):

- 50.9% have at least NVQ level 2 skills compared with 68.6% nationally.
- 30.7% have no qualifications compared with 22.8% nationally.

2.1.13. There are pockets of long-term unemployment within the City Region where over 20% are without work. In these areas, three successive generations of families have not found work. Unemployment and inactivity rates are highest in the deprived urban areas and among groups such as older people and BME communities. There are also significant numbers of young people not in employment, education or training. There is an overwhelming correlation between low or no skills, economic inactivity and where people live.

2.1.14. An average of 43% of SOAs within our target wards are within England's 10% most deprived SOAs as measured by the Index of Multiple Deprivation, in some of the target wards over 90% of SOAs are within the 10% most deprived.

2.1.15. Despite the key growth sectors being professional/business services, health and care and wholesale, retail and distribution (outlined above), nearly one in five of all jobseekers in the West Midlands wish to work within the elementary trades, plant and storage sector. This outnumbers typical monthly vacancies by six to one, demonstrating a clear mismatch between the supply and demand of employment available.

2.1.16. The various administrative and survey data demonstrates the weakness of entrepreneurship in the City Region. The City Region not only lags behind other comparable regions in total entrepreneurial activity but number of self-employed is significantly lower than the UK average, with fewer net VAT registered enterprises and lower competitiveness levels of local businesses. The differential rates in business formation and the disparities that exist in target wards demonstrate that there is potential to improve economic prospects.

Target Geography

2.1.17. As outlined in 1.2.2 above our City Strategy approach aims to improve City Region employment and skills outcomes by targeting intervention on the most significant and stubborn areas of worklessness. Therefore, we have identified a total of 55 target wards from across the City Region as the focus for the City Strategy. These 55 wards account for 45% of the City Region's workless. This narrow focus will allow us to pilot a more co-ordinated and integrated approach which will align with wider strategies in tackling social exclusion especially inter-generational and child poverty.

2.1.18. The rationale for selection of these wards is:

- Those wards with over half their SOAs who have worklessness levels a third or more above The City Region average.
- Those SOAs with worklessness levels a third or more above the City Region average which also have at least half the ward's working age population within them.
- All City Region Deprived Area Fund (DAF) wards are also included.

2.1.19. These wards are outlined in the table below. This adds up to a total of 55 wards, and accounts for 32% of the City Region population.

Birmingham	Solihull	Coventry	Black Country	Telford
Aston**	Chelmsley Wood**	Foleshill**	Castle and Priory*	Donnington*
Bartley Green*	Fordbridge**	St Michael's**	Netherton & Woodside *	Malinesee**
Handsworth**	Smith's Wood**	Longford*	St Thomas'*	
Kingsbury**	Kingshurst*	Radford*	Friar Park*	
Ladywood**		Henley*	Greets Green & Lyng**	
Nechells**		Binley & Willenhall*	Princes End**	
Shard End**			Blakenall**	
Soho**			Smethwick**	
Sparkhill**			Soho & Victoria**	
Washwood Heath**			West Bromwich Central**	
Weoley*			Blakenhall*	
Sandwell***			Darlaston South*	
Moseley***			Pleck**	
Kingstanding***			St Matthew's**	
Sparkbrook***			Bilston East**	
Small Heath***			East Park**	
			Ettingshall**	
			Graiseley**	
			Heath Town**	
			Low Hill**	
			St Peter's**	
			Brierley Hill*	
			St James'*	
			Birchills Leamore*	
			Oldbury***	
			Palfrey***	
			St Paul's***	
Total – 16	Total – 4	Total – 6	Total – 27	Total – 2

Key:

- * wards identified through SOA analysis
- ** wards identified through SOA analysis which are also DAF wards
- *** DAF wards which were not identified through SOA analysis

2.1.20. Within these 55 target wards there is a disproportionately high proportion of ethnic minority population and a much younger population, in addition:

- 44% of the working age population are not in work
- 40% have no qualifications
- only 19% of the population are qualified to level 3 or above

Priority Client Groups

2.1.21. Within the region, City Region and target wards outlined above, rates of worklessness and low skills are highest among groups such as lone parents, IB claimants, young unemployed, older people and BME communities.

2.1.22. Of the population within the target wards identified who are claiming workless benefits:

- 16% are lone parents
- 18% are income support (exc lone parents)
- 42% are sick and disabled
- 24% are unemployed

2.1.23. Therefore, we must also focus our efforts on tackling worklessness on a number of priority groups. These efforts will be informed by the development of a strong evidence base. A key element of City Strategy activity will be to undertake an in-depth analysis and assessment of the particular employment and skills needs of these target groups, building on national evidence. Some of this is already underway and will be complemented via the City Strategy.

2.1.24. In focusing on these priority groups we will also ensure an appropriate balance between the impact on individuals and localities. Anecdotal evidence suggests that when an individual is equipped with the skills and support to re-enter the labour market they tend to use their improved income to relocate outwit the area. This combined with those economically inactive and low skilled moving into the area can mean that certain localities become trapped in a constant state of worklessness. Therefore, we will ensure that we track the impact of the City Strategy on the priority groups and localities.

2.1.25. The City Strategy priority groups are outlined below:

BME communities

2.1.26. 19% of the City Region population is from a BME community, a significant proportion (28.5%) of this working age population is unemployed. It can also be seen when comparing data on employment rate to ethnicity in the City Region that people from BME communities are more likely to be out of work. This particularly relates to those of Pakistani, Bangladeshi, African and Caribbean ethnic origin.

Refugees

2.1.27. The West Midlands has a refugee population of around 76,000 a large proportion of which reside in the City Region. Many are unemployed, economically inactive or underemployed; therefore, they are a target group for the City Strategy.

Economic Migrants

2.1.28. The City Region is receiving increasing numbers of new migrants from Eastern Europe, the Middle East and Africa. Official figures seriously underestimate the actual number of migrants which is predicted to increase further given the new EU accession states. These communities are locating in inner city areas. Anecdotal evidence and research from elsewhere demonstrates that many economic migrants are highly qualified yet are occupying low skilled job. It is also the case that many of the current migrants may become eligible to claim benefit during the City Strategy time period.

2.1.29. This will be a key target group for the City Strategy; however, targeted interventions will need to be informed by research to identify the actual size of this group and their employment and skills needs and issues.

Lone Parents

2.1.30. 16% of the working age population in the target wards in receipt of working age benefits are lone parents. This in turn impacts on child poverty levels. Evidence shows that the majority of people in this group want to work, however, need more support to ensure that barriers are addressed e.g. childcare and to assist with the transition to work and progress further once in employment.

Incapacity Benefit claimants/sick and disabled

2.1.31. Rates of inactivity due to illness and/or disability are extremely high - 42% of the working age population in the priority wards are claiming incapacity or disability living allowance benefit. In all of the priority wards these claimants constitute the highest percentage of all working age claimants. In terms of Incapacity Benefit (IB) claimants a much higher proportion are aged over 50 than found in the working population (46.4% compared to 23.1%). Over two thirds of IB claimants have been claiming for over 3 years.

Older people

2.1.32. Almost 30% of working age claimants in the priority wards are over 50; this figure has increased over recent years. Many of these individuals have particular skills and retraining needs to allow them to meet the requirements of current vacancies. Therefore, a targeted approach to engage older workers in the priority wards is required.

Young unemployed (19-25)

2.1.33. Within The City Region a higher proportion of JSA claimants are aged under 25 (31.2%) than nationally (19.9%). Nearly half of all JSA claimants in the City Region have been claiming for over 6 months compared to only 35.8% nationally signifying significant levels of long-term unemployment among this client group. Given the relatively young age profile of the City Region this is a major target group for the City Strategy.

Offenders/Ex-Offenders

2.1.34. Persistent unemployment, often contributed to by the low skills levels of offenders, leads to a considerable increase in the risk of re-offending. Measures to tackle reoffending must include interventions to offer tailored education, training and employment opportunities. Given higher levels of offending within the target wards this is a further target group for the City Strategy.

Child Poverty

2.1.35. We also see combating child poverty as a key aim of the City Strategy. The City Strategy covers 2 of the 26 constituencies in the UK where over 40% of children are living in poverty; these are Ladywood and Sparkhill in Birmingham.

- 2.1.36. The percentage of children in families on out of work benefits is significantly higher in the city region (29.4%) than the regional and national average of 21%. The greatest concentrations of child poverty have been found to exist in single parent and BME households. Therefore, City Strategy activity focused on lone parents and BME groups will also impact on child poverty.
- 2.1.37. However, child poverty does not just exist in workless households; therefore, we need to inform the City Strategy by identifying those low and single income families where child poverty exists and by exploring the “bridges” to employment for this group.

2.2. Mapping current provision

Overview

- 2.2.1. The templates attached at Appendix 1a-1d provide an outline of the range of current employment and skills provision from across the City Region. This mapping focuses to a large extent on mainstream provision. It does not capture the full range of activity which takes place in the area of employment and skills. A key element of our City Strategy implementation will involve intensive mapping at both a ward level and City Region level. Included within this will be mapping of client eligibility and routeways in order to improve the support offer that we can give to target individuals.
- 2.2.2. Information about local need and gaps in service provision will inform the development of detailed and tailored service specifications for City Strategy provision via mainstream and specific project funding.
- 2.2.3. Appendix 1a outlines JCP mainstream provision; it has not been possible to break this down to City Region level as the information is currently only available at district level. We have presented information on the various districts within which the City Region falls. This demonstrates the programmes and resources available to those who fall within mainstream programmes. Eligibility is limited and many of the individuals within the City Strategy target wards and groups will not be participating in this activity. This is also the case for LSC mainstream provision as outlined at Appendix 1c. While eligibility for LSC provision is relatively wide it is not targeted on particular groups and localities.
- 2.2.4. Appendix 1b outlines JCP ESF provision, again this is given at a district level. This allows for provision to a wider target group including those who are City Strategy priorities. Appendix 1d presents a snapshot of employment and skills provision taking place by local authority level. While some of the programmes outlined are targeted on the specific target groups and areas this is patchy and fragmented. There are a lot of examples of best practice, however, there is not a consistent offer across the board and provision depends on the availability of area based and project funding leading to concerns around a “postcode lottery”.
- 2.2.5. In addition to the information presented in the appendixes there have been examples of locally based assessments of worklessness interventions that have taken place e.g. Tara Consultancy Insight into Worklessness Interventions in the Black Country and reviews to inform Local Area Agreements, Neighbourhood Renewal Fund and other targeted regeneration

interventions. To further supplement the appendixes and existing research/reviews an investigation of local activity was undertaken in a sample local authority area within the City Region. The purpose of this investigation was to test the suitability of current provision to respond to the City Strategy model.

- 2.2.6. The summary of findings outlined below is informed by the above elements of mapping.

Summary of Mapping Findings

- 2.2.7. There are currently no specific long-term mainstream programmes or provision targeted directly at all of the City Strategy target areas and priority groups which cover employment and skills issues. While there is a willingness to develop programmes tailored specifically to the needs of these groups and areas much of the intervention takes place through local partnership working rather than forming part of mainstream service delivery. In some cases there is limited effort to learn from and mainstream best practices highlighted from targeted approaches.
- 2.2.8. European Social Fund, Neighbourhood Renewal Fund and other targeted resources are often deployed to provide creative and flexible worklessness and training interventions to those who would otherwise be ineligible for support. However, this provision is patchy and not available to all.
- 2.2.9. It is also the case that a lot of this locally available funding is time limited. While we have had in the past a plethora of funding targeted locally, which could be used to top up mainstream employment and skills programmes, the cessation of the Single Regeneration Budget and uncertain future for the Neighbourhood Renewal Fund mean that this picture may be changing.
- 2.2.10. A further issue is the lack of awareness of support services, employment opportunities and the labour market generally. This exists not only among individuals but among some providers and support services also.
- 2.2.11. The emphasis on self help for many rather than directly targeted assistance prevents individuals from accessing services. The mismatch in terms of employment supply and demand as outlined above is also an issue for many workless individuals.
- 2.2.12. There are examples where staff or organisations undertaking support do not have access to or knowledge of the full range of provision to provide the necessary support to individuals. This causes some support to be fragmented, prevents linkages being made and can lead to insufficient signposting.
- 2.2.13. Even where referrals and linkages are made between supports this is not always sufficiently joined up. This can lead to significant duplication of effort by organisations and delivery of a poorer service to individuals. The lack of comprehensive tracking of individuals accessing support can lead to them becoming lost in the journey through the various services. Currently client tracking is informal and tight touch which can lead to individuals dropping out of their journey towards employment at key milestones.

- 2.2.14. Best practices examples highlight that developing a good working relationship on an individual level with a client through mentoring, solutions brokerage and one-to-one support is crucial to successful intervention. However, this type of support is not available on a consistent and co-ordinated basis and depends on programme eligibility and content.
- 2.2.15. There is also a need to go beyond initial support to further assist individuals with the transition to employment and to sustain that employment. The majority of current provision is not long enough to provide this.
- 2.2.16. The mapping also highlights a need for more innovative ways of reaching people. Currently a lot of the target individuals do not access mainstream support. While examples of outreach work do exist these are not consistently available to all individuals and in all areas. Many individuals are also unwilling to travel outwith their local area to access support, highlighting the need to examine local provision of services.
- 2.2.17. The ability to provide support to individuals in the form of bridges to employment has been found to be extremely successful where it is available. This includes support with travel costs, childcare etc. However, again this is not available on a consistent basis. The mapping also demonstrates that self-employment as an option is not sufficiently integrated into employment support programmes.
- 2.2.18. Findings also demonstrate that many local providers, organisations and intermediaries do not have appropriate information on job content to be able to properly advise individuals on what a particular job involves. There are not a lot of opportunities for individuals to find out exactly what is involved in a particular job - quality of work experience is patchy. The skills assessments undertaken within current provision are not very detailed at the moment. All are discussion based and little assessment materials are available.
- 2.2.19. Training programmes are not always sufficiently tailored to the needs of employers, especially those in growth sectors, nor are they directly focused on job outcomes. The mismatch in labour market supply and demand also impacts on learning interventions.
- 2.2.20. Intervention works best when there is involvement of the employer in planning and delivery, however, this does not always happen. Current methods of employer engagement vary by area, examples of best practice exist but again a more co-ordinated approach is needed. More intervention needs to be undertaken with employers to encourage them to and promote the benefits of recruiting from the target areas and priority groups.

3. PROGRAMME DESIGN

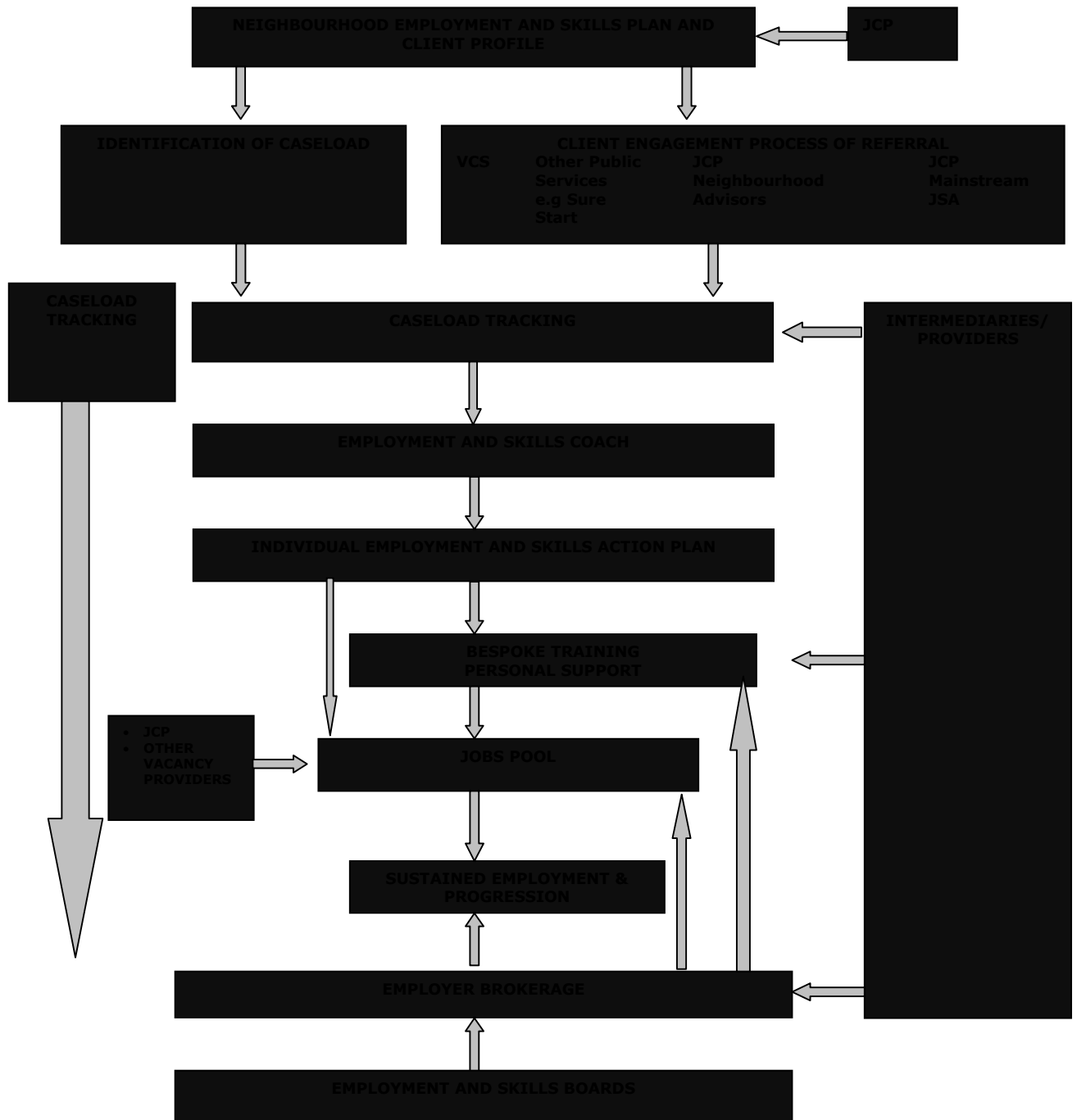
3.1. Approach and Programme Design

- 3.1.1. The local context, analysis of the labour market and mapping of current provision discussed in section 2 above highlights a number of key issues which have informed our approach to the City Strategy.
- 3.1.2. There is a need to respond to changing labour demand in order to meet employer needs and support City Region growth aspirations. Forecasts indicate the need for around 350,000 new recruits by 2015, 80% of which will arise through replacement demand. There will be an increase in the demand for skilled labour and a decrease in the numbers of jobs requiring no skills, making the need for basic skills and qualifications more important. The industrial structure of the City Region is also changing with continued reduction in manufacturing employment and a growth in service sector employment.
- 3.1.3. Against this there is a high and growing number of people within the City Region from groups less likely to be qualified and more likely to face barriers to employment. There is also a significant mismatch in terms of labour supply and demand due to lack of awareness of types of vacancies and skills needs.
- 3.1.4. Worklessness within the City Region is concentrated within particular areas and groups. This poses a huge threat to City Region growth aspirations and to social cohesion. Yet current provision to tackle worklessness and increase skills is not achieving the necessary outcomes. It is determined by eligibility criteria, is not comprehensive nor is it sufficiently targeted on areas and groups with the greatest problems of worklessness. There are examples of duplication and fragmentation in the provision of services.
- 3.1.5. There is insufficient emphasis given to supporting individuals to sustain and progress in employment and to meeting the needs of employers. Employers are not fully engaged in the planning and delivery of services.
- 3.1.6. Therefore, our overall approach to the City Strategy is founded on the principle of a **progressive, integrated employment and skills system**, underpinned by improved employer and client engagement and focused on meeting employer demand and individual needs. The system will ensure systematic upskilling at every level, assisting individuals, especially those not in work, to progress up the continuum/skills escalator in order to secure and sustain employment.
- 3.1.7. We will assist individuals to gain sustainable employment and assist employers to meet current and future skills needs and growth objectives by commissioning high quality bespoke training and personal support linked to specific jobs.
- 3.1.8. This will allow us to equip workless people with the necessary supports and minimum skills to be work ready and then provide them and their new employers with the right job training and support to secure them sustained employment as valued employees. We will increasingly ensure that public

investment in adult learning for people not in work is linked to employment outcomes.

- 3.1.9. We will place **employers at the heart of the system**, putting in place local **Employment and Skills Boards** to build employer leadership and commitment to the City Strategy. These will agree shared ambitions investments and job outcomes which will be based on rigorous analysis of local demographics and labour market conditions. They will play a key role in ensuring training is better linked to future and current employment demands and shifts in City Region priorities.
- 3.1.10. We will ensure a greater focus on the needs of **priority client groups** to tackle concentrations of worklessness and to provide individuals with the skills and support to enter sustainable employment and to progress in the workplace. We will combat the fragmentation of services that can exist and plug gaps in provision available to the target individuals.
- 3.1.11. We will do this by providing a **core client entitlement pre and post employment** incorporating a **one-to-one employment and skills assessment** and access to skills training driven by individual and job needs rather than eligibility. Bespoke training will be commissioned to meet minimum, job requirements and level 2 entitlements will be matched to individual/job needs on entering employment. Clients will also be provided with a range of personal supports tailored to their individual circumstances and barriers to employment.
- 3.1.12. This will allow us to ensure sustained employment and progression for individuals and to meet the skills needs of employers, thus increasing the competitiveness of businesses. The focus on upskilling will have a dual outcome of both tackling worklessness and increasing productivity. It will also assist in tackling in-work poverty and child poverty by supporting individuals to improve their labour market prospects.
- 3.1.13. We will develop an improved **employer offer** and ensure planning takes place on the basis of local labour market needs over the immediate, short, medium and long-term. We will work to develop a common **Employer Brokerage** service in which all vacancies are identified and job and skills content scoped to successfully address recruitment and skill shortages. This will inform the development of bespoke packages to provide work ready candidates for specific jobs.
- 3.1.14. Post-employment job specific training will be provided through **Train to Gain**. Support will be given to employers to maintain and maximise productivity of staff. This will be aligned with the Business/Skills brokerage service.
- 3.1.15. We will work to integrate and align funds across the City Region through a **Joint Investment Plan** and develop a single strategy for commissioning programmes and services.
- 3.1.16. Our work in this area contributes directly to City Region and Local Area Agreement activity. Our City Strategy will link effectively with regeneration activities in deprived areas, inward investment potential and the response to large scale redundancies.

3.1.17. Our integrated model is outlined below:



3.2. Key Programme Elements

3.2.1. The diagram is a summary of the **progressive, integrated employment and skills system** that we are proposing to create via the City Strategy. The key elements of this are discussed in detail within this section.

Local Joint Planning and Profiling

3.2.2. **Local Management Groups** covering the 55 City Strategy target wards will provide a forum for joining up and linking local employment and skills activity. These groups will build on existing structures and will include representation from LSC, JCP, Local authorities, the voluntary and community sector and key local organizations and service providers. The groups will be responsible for the development of **Neighbourhood Employment and Skills Action Plans (NESP)**s).

3.2.3. NESP will identify a **Client Profile** for the ward, which will encompass:

- population and population profile;
- ethnicity;
- employment, unemployment and worklessness by target group e.g. BME, lone parent, older people, younger people, ex-offenders etc;
- benefit recipients – showing concentration within wards by SOA by type of benefit, gender, ethnicity, age, disability, length of time on benefit;
- attainment; and
- a brief analysis of other underlying conditions in the area e.g. poor health, low income etc

3.2.4. This will allow for an identification of a **target caseload** for the City Strategy through:

- identification of the main worklessness groups within the ward
 - who
 - where
 - scale
- analysis of how these compare to other wards/City Region wide data – i.e. are these particular issues and problems to be addressed;
- identification of the localities and groups which are priorities for action; and
- identification of the key barriers and problems to be overcome by target groups e.g. skills, motivation, health, childcare, transport, access for jobs.

3.2.5. A NESP template is attached at Appendix 2.

Client Engagement

- 3.2.6. **Client Engagement Referral Processes** will be established among local organisations and services, the voluntary and community sector, providers and other organisations in contact with target clients e.g. GPs, Sure Start.
- 3.2.7. Local groups and services will engage clients to ensure that they are aware of the initiative. We will **explore the co-location of services** within local areas; particularly in locations in which individuals are accessing other services e.g. GP surgeries, Children's Centres. We are **working with health and other support services** to develop our approaches to client engagement as part of the City Strategy development.
- 3.2.8. Utilising the information provided in the client profile and information form DWP records a target **client caseload** will be identified for the target ward. The target client groups will be informed of the City Strategy either via **providers, local organisations**, and/or by a **Caseload Tracking Team**. This will emphasise the objectives of providing those out of work with the support and ability to not only gather the skills needed to enter sustainable employment but also the skills and support needed to remain in work and continue to progress. Individuals will be assured of the linkage to real jobs given **employers** identification of vacancies and involvement in the development of these programmes.
- 3.2.9. The **Caseload Tracking Team** will monitor the progress of the target caseload by tracking all stages of the process, supporting a comprehensive performance management system. It is anticipated that in addition to targeting of suitable individuals from the claimant register referrals will also come via:
- local organisations and groups (VCS) working with target individuals;
 - other support services e.g. GPs, Sure Start;
 - JCP mainstream JSA referrals; and
 - Neighbourhood Advisors/Outreach workers.

Caseload Tracking Team

- 3.2.10. The **Caseload Tracking Team** will be a performance management function (based in JobCentre Plus). This will allow for identification of a target caseload for each ward and for the tracking of this caseload through the key stages of relevant support programme and into employment. It will also provide a quality assurance role to ensure all individuals are referred on seamlessly at each stage of intervention/Client Journey.
- 3.2.11. **Caseload Tracking** will ensure the client is referred to an **Employment and Skills Coach** for a one-to-one jobs and skills assessment. Following this assessment the client is referred to the additional supports identified via the **Employment and Skills Action Plan**. Via **Caseload Tracking** the individual will be tracked through the bespoke training and personal support.
- 3.2.12. The **Caseload Tracking Team** will continue to track the client once they have entered employment in order to ensure they are sustaining and progressing in employment.

Barrier 1: Data Sharing

Outline of Barrier/Flexibility and Changes Sought

Co-ordination of local employment and skills interventions is often impeded by the inability to effectively target and then track learners and job seekers consistently. This can prevent initial contact and rigorous assessment of the distance travelled by the client. It also prevents the ability to share and act on information on data drawn from the provider network.

This can cause confusion and duplication for clients and can also result in clients becoming lost in the process of support due to inability to ensure sufficient referral and tracking is taking place.

Proposed Action and Expected Benefit

We plan to track the progress of individuals within the target caseloads as they progress through the various stages of support. To do this we will create a Caseload Tracking team which will be based in JCP as a performance management and support function. However, this will have to be supplemented by regular reports on the client progress from providers where they are involved in supporting the client.

We will develop informed consent forms to gain client permission for tracking of progress and any associated data sharing that is required as part of the City Strategy. This would be aided if: initial information on claimants could be provided by DWP; and if JCP systems and rules could be amended to ensure that customers are entitled to exercise discretion about the use of data about them stored by JCP. If clients wish it should be possible to share this information with other organisations which are working with them to help them into work.

This would: allow for effective identification and targeting of individuals; lead to reductions in the duplication of effort; and enable a better advice and support service to be provided to clients thus leading to improved job outcomes. It would also provide us with more reliable baseline data. We would continually assess the impact and benefits of this flexibility in order to minimize any associated risk.

Employment and Skills Assessment

3.2.13. We will enhance provision to ensure that all clients within the target caseload are referred to an **Employment and Skills Coach** who will undertake an in-depth **one-to-one assessment** to identify their skills, employment and personal support needs. We will work with **providers** to ensure this is built into existing programmes. This assessment will go beyond initial assessments of skills and employment experience and aspirations. It will identify:

- skills beyond the level of qualifications in terms of work and life experiences;
- skills (core and vocational) that need addressing;
- possible labour market options in line with local labour market and employer needs;
- any personal barriers that need to be addressed e.g. childcare, travel, illness, addiction; and
- next steps with regard to securing employment

3.2.14. The assessment will be used to inform the development of an individual **Jobs and Skills Action Plan** which will identify possible employment options and inform **bespoke training and personal support programmes** to secure entry to employment.

3.2.15. Consent for information to be shared will be sought from the client and this Plan will be provided to the client, the provider and the **Caseload Tracking Team**. This plan will be utilised to inform the development of and referrals to required **bespoke training and personal support** interventions.

3.2.16. It is recognised that some individuals will be able to enter the **Jobs Pool** directly without additional support. However, given the target client groups we envisage such numbers would be limited.

Bespoke Training and Personal Support

3.2.17. Target clients will have access to a range of services to assist them to gain and sustain employment. Having identified barriers to employment we will develop appropriate supports for the target client groups.

3.2.18. To assist the development of these programmes we will:

- seek to integrate the Pathways initiatives within the City Strategy;
- engage more closely with primary health care providers, especially GPs and treatment agencies developing “prescriptions for work” where diagnosis reveals work related issues;
- position Advisers in surgeries and ensure the GP’s recommendations are supported by all agencies and voluntary sector organisations;
- work more closely with other support services such as housing, and children’s services;
- work with Credit Unions and other voluntary sector financial advisers and Local Authority debt advisers to remove the burden of debt that workless families often face;
- make fuller use of permitted to work rules to support people into employment;
- utilise Train to Gain to provide linked training and career development when clients are in employment;
- develop a proposal to expand the Adult Learning Option across the City Region;
- seek to extend and enhance work trials across the target group; and
- strengthen links with LEGI initiatives and work with Business Brokerage to ensure support to enter self-employment is available to those interested.

Bespoke Training

3.2.19. Employers will have a key input to the development of **bespoke training** via **Employer Brokerage**. Particular input will be given to the development of **Sector routeways** for the target clients. Commissioning of bespoke training programmes will be undertaken at a City Region level.

3.2.20. The target client will be referred to suitable **bespoke training**. Clients will be incentivised and fully supported to undertake this programme. Training offers will be aligned to a client’s benefit entitlements to enhance their ability to remain on and complete any pre-employment training.

3.2.21. The **bespoke training** will be founded on the principle of maximizing the ability of the **client** to reach and sustain a positive employment and training outcome and on the needs of the **employer** to meet their skills and workforce requirements. We will not commission pre-determined courses but will develop programmes in line with individual and employer needs.

Personal Support

3.2.22. Individuals may also have a number of other barriers to employment. Again the client will be to suitable **personal support** to assist them in overcoming

these barriers. The types and level of supports will be developed with input of the client and relevant support organisations.

3.2.23. A typical programme could include:

- Coaching through personal issues
- Referral to professional support services e.g. debt management, addiction support
- Supported work trials
- Support through the recruitment process
- Work focused English language development
- Ongoing support to sustain and progress in employment e.g. cognitive behavioural therapy, condition management, ongoing training, travel subsidy

3.2.24. Working with the **Employer Brokerage** and using the **Employment and Skills Action Plan** the individual will be matched to a vacancy with an employer incorporating specific elements of bespoke training and personal support where appropriate.

3.2.25. Information about local needs and gaps in service provision will emerge through the **NESP** and will assist in informing the development of detailed and tailored service specifications for the delivery of bespoke training and personal support programmes. Specifications will also be informed by employer needs and will be commissioned and co-ordinated on a City Region basis. Working relationships will be developed with support services such as GPs, local authority debt management.

Barrier 2: Local Commissioning
Outline of Barrier/Flexibility and Changes Sought
<p>We aim to ensure that the City Strategy builds on best practice and lessons learned from many of the innovative approaches developed to date by the local network of providers e.g. Employment Zones; Working Neighbourhoods etc.</p> <p>However, nationally developed commissioning processes do not fully allow for the local context to be set, yet it is essential that local needs and issues are highlighted and addressed via the development of programmes. Therefore, we would request the opportunity to local influence the commissioning process.</p>
Proposed Action and Expected Benefit
<p>Commissioning and procurement should be done at a City region level. This could be done on a joint basis thus supporting the development of the Joint Investment Plan that we are developing. It would also ensure that providers develop programmes which are specifically in response to local needs and circumstances.</p> <p>We are already undertaking discussions with Phase 1 Pathways to Work preferred providers to promote alignment with City Strategy activity and will be providing a direct input to the specification for the Phase 2 programmes.</p> <p>We would propose to extend this across the board guaranteeing local commissioning of programmes which support City Strategy activity.</p>

Barrier 3: Eligibility of Training

Outline of Barrier/Flexibility and Changes Sought

Currently certain claimants are not allowed to participate in employment/training programmes for more than 16 hours per week without it affecting their benefit entitlement. This presents a key barrier in terms of supporting and preparing people for employment.

Given that our labour market projections indicate a significant decrease in the number of low skilled jobs and increase in higher skilled jobs, increasing the skills of our workless is key. This is further complicated by the large numbers of Accession Country in-migrants to Our City Region who are registering for entry level work potentially displacing existing low skilled workers. To combat this barrier we propose to extend the Adult Learning Option to all workless individuals within the City Strategy target wards.

Proposed Action and Expected Benefit

The extension of the Adult Learning Option would allow for provision of additional intensive Jobsearch activities and bespoke training to the target caseload. Provision would be targeted on clearly defined and agreed priority growth sectors with an evidenced labour demand and in conjunction with sourced vacancies, thereby improving progression rates whilst enhancing employer engagement.

Participants will be referred via the existing formal referral mechanisms, with eligibility clearly defined as those below level 2 qualified and requiring skills development to meet the needs of Our City Region labour market. City Strategy funding will be utilised to support additional costs incurred whilst attending training and jobsearch provision.

Barrier 4: Work Trials Extension

Outline of Barrier/Flexibility and Changes Sought

A key barrier to employment is the threat of loss of benefit. Many clients, particularly within the City Strategy target groups who are considering employment are unaware of what type of employment they would like, be suited to and whether or not they are ready to make the step from benefits. There is a fear of becoming trapped in unsuitable employment and of losing eligibility to current benefits. Employers can often also be unwilling to recruit individuals from these target groups due to misconceptions of unsuitability.

By extending the Work Trials programme to all workless individuals within the City Strategy target wards we could combat these barriers.

Proposed Action and Expected Benefit

Extension of the Work Trials programme would allow individuals within the target caseload and wards to try particular forms of employment for 15 working days whilst retaining receipt of and entitlement to benefit. Individuals would also be supported with travels costs. This flexibility would also allow employers to try out individuals for a job and be sure of their suitability. This would be offered as part of a wider bespoke training and personal support programme. Work trials would be offered with employers who have identified vacancies and therefore, have a clear link to sustained employment.

Tracking of the target caseloads would allow us to continually assess the effectiveness of this extension, making modifications as necessary. We would also put in place the necessary safeguards to ensure that this programme is not abused. We will work with employers to ensure they are involved in ensuring this offers a true work experience.

Jobs Pool

3.2.26. A central **Jobs Pool** will be managed and maintained by JCP. We will develop a **protocol on vacancies and employer data** across all partners including private sector providers and will align and integrate these with JCP vacancy services.

3.2.27. We will also aim to integrate recruitment services into the new Business Support Model and undertake more intensive work to integrate Business Support, JCP employer engagement and Skills Brokerage – this will be facilitated by the creation of improved **Employer Engagement and Employer Brokerage**.

3.2.28. The Jobs Pool will be informed by the work of the **Employer Brokerage** function, overseen by the Employment and Skills Boards and private and public sector providers.

3.2.29. We will ensure that self-employment is available as an option to those who are interested. We will work to integrate the Business Brokerage service with

City Strategy to ensure an appropriate focus on the target groups and wards. We will also link with LEGI activity that is taking place in Coventry, look to introducing best practice interventions from LEGI initiatives elsewhere and link with LAA 4th block activity.

Sustained Employment and Progression

3.2.30. Continued support and training will form part of the integrated offer promoted via the City Strategy.

3.2.31. **Post employment development** will enhance the client's chance of securing sustainable employment where there are opportunities available. A core offer of free training will be available to support individual's to achieve a first level 2 qualification or to improve their basic skills through the **Train to Gain** programme. This will provide clients with a clear career development pathway and therefore, greater prospects of sustaining employment.

3.2.32. Clients will also be supported in making the transition from benefits to paid work in financial, psychological and physical terms. We are exploring a number of supports, including:

- Expansion of the "workwise" initiative which provides incentives to overcome transport barriers which restrict access to jobs.
- Extension of the Adult Learning Option.
- Assistance to those with health problems both pre and post employment through interventions such as Condition Management and Cognitive Behavioural Therapy.
- Expansion and awareness raising of the availability of local childcare.
- Debt management and tax credit advice.

3.2.33. The **Caseload Tracking Team** will have a key role in tracking whether clients sustain and progress in employment.

Employer Engagement/Brokerage

3.2.34. A new **Employer Brokerage** service will be at the heart of our City Strategy. Within this function responsibility for managing the employer relationship and relationships with sector intermediaries will reside. This will be aligned with the Business Skills/Brokerage service and will be an extension of current JCP Employer Relationship functions.

3.2.35. The service will provide a single point of contact for employer support through the range of publicly supported provision and will undertake detailed Job Scoping with employers. This will include working with employers to:

- understand their recruitment and skills needs over the immediate, short, medium and long terms, ensuring that longer terms plans are matched against macro economic projections
- identify vacancies and understand recruitment practices and job requirements – informing jobs pool;
- scope job and skills content of vacancies and to develop person specifications;
- develop Sector Routeways for target clients

- develop a tailored recruitment and training package to meet employer requirements;
- promote customised training and a supply of potential employees;
- inform the development of bespoke training and personal support programmes to provide work ready candidates for specific jobs;
- ensure post employment job specific training through **Train to Gain**; and
- provide advice and guidance to assist staff retention and the support of individuals in the workplace.

3.2.36. This **Employer Brokerage** Service will inform the development of **bespoke training and personal support** in line with employer needs and will offer reassurance about the employment prospects of an individual through the provision of suitable services or support.

3.2.37. We will also support the development of “**Employment Hubs**” in response to key investment projects bringing large numbers of jobs. This will see partners pooling resources and expertise with dedicated teams set up to market vacancies, assess recruitment and skills needs and develop bespoke packages to match employer’s needs.

Employment and Skills Boards

3.2.38. We will establish four **City Region Employment and Skills Boards** covering the areas of:

- Birmingham and Solihull.
- Black Country.
- Coventry and Warwickshire.
- Telford.

3.2.39. These **Boards** will oversee and co-ordinate the engagement between employers and the City Region’s employment and training agencies and ensure employer ownership and buy in to the City Strategy. They will include LSC, JCP, LA representatives together with key employers and sector champions.

3.2.40. The **Boards** will be private sector led, they will endorse and support a Joint Employment and Skills plan for their particularly locality; mobilise employers in their respective sectors to provide job opportunities for the target client groups; and promote diversity as a business imperative together with fair and effective recruitment and employment practice by individual businesses. We will ensure connections are made across **Boards** where relevant.

3.2.41. The **Boards** will involve and strengthen links with key **Sector intermediaries and Sector Skills Councils (SSCs)** to develop plans for communicating and engaging more effectively with businesses, especially those in growth sectors. These intermediaries and SSCs will provide a direct feed in to the **Employment and Skills Boards** and will inform sector routeways, provision planning and delivery. **Sector Jobs Plans** will be aligned across the City Region and will inform the development of the Joint Employment and Skills Plans.

3.2.42. Terms of Reference for the **Employment and Skills Boards** are included at Appendix 3.

3.2.43. We will extend current initiatives such as Public Service Compacts to the whole of the City Region to focus on the public sector as a key employer. We will work through these agreements to gain clear commitment to baselining of employment rates in the target wards and set clear targets for increases in recruitment from City Strategy target groups. Increased public sector apprenticeships will be a key part of the package. We will also work with local authorities to secure greater commitment to local employment from developers.

3.3. Voluntary and Community Sector engagement

3.3.1. The City Strategy recognises the key role that the Voluntary and Community Sector play in the provision of employment and skills supports to target client groups; this is demonstrated by the initial mapping of current activity outlined in 2.2 above.

3.3.2. The voluntary and Community sector will be represented on the **Local Management Groups** and therefore involved in the development of the **NESP**. The **NESP** will assist in connecting outreach and community programmes to mainstream services. Through the **NESP** clearer referral and progression routes and interfaces between local and mainstream organizations will be ensured.

3.3.3. City Strategy will allow the Voluntary and Community Sector access to up to date accurate information on opportunities that they can share with their clients in the target groups. Involvement in the **Local Management Groups** will provide a mechanism through which the sector can become more involved in the provision of bespoke provision and through which they can voice the concerns and difficulties of client communities in a way that will influence mainstream employment support providers.

3.3.4. We will strengthen joint LA/JCP management at a ward level to support the voluntary and community sector. A key function of the City Strategy will be to ensure that the members of the local groups have the full and active support of mainstream agencies. We are also putting in place a VCS reference group at the City Region level.

3.4. Private Sector/JCP Providers

3.4.1. We recognise that we also need to fully integrate the work of private sector/JCP providers in the development of the City Strategy core client entitlement and shared employer offer.

3.4.2. We will put in place procedures as part of our integrated approach to ensure that activity being taken forward by providers is aligned with the City Strategy. We will work with providers to integrate Employment and Skills Assessment into the programme of support and ensure they inform the development of bespoke programmes. Providers will provide a key input into our **Caseload Tracking**. We will aim to increase the effectiveness of statutory programmes for the target caseload and will engage with providers in this regard on a City Region basis and via **Local Management Groups**.

- 3.4.3. We are working to ensure integration of existing e.g. Employment Zones, as well as future programmes. We are currently working to align Pathways to Work with the City Strategy. First phase Pathways to Work programmes are to be rolled out in the Black Country and Birmingham and Solihull areas of the City Region. We intend to develop a protocol with short listed providers.
- 3.4.4. This will ensure that the core client entitlement integrating jobs and skills assessment, bespoke training, and enhanced employer services, including Train to Gain are built into the programme. We intend to develop a management relationship with the Pathways.
- 3.4.5. A joint working group is established to agree a protocol prior to decision on preferred provider, we will then work to confirm and refine this protocol through post tender negotiations.
- 3.4.6. Second phase Pathways to Work will be rolled out in the Coventry and Warwickshire area of the City Region. We intend that the City Region is fully involved in this process and that the City Strategy approach is integrated into the tender specification. The aim being to have a fully integrated programme from April 2008.
- 3.4.7. Recent European Social Fund co-financing specifications have also included the requirement for alignment with City Strategy activity. We are also developing a Joint European Social Fund Action Plan for the City Region to support City Strategy activity.

3.5. Overall Impact and Added Value

- 3.5.1. Our City Strategy is based on a clear rationale of improving the links between meeting employer needs and creating opportunities for disadvantaged groups across the City Region.
- 3.5.2. Our City Strategy will be underpinned by a much clearer understanding of employer recruitment and skills requirements and of the problem of worklessness across the City Region. This will allow us to better engage with and meet employer needs, and to target the areas and groups worst affected by worklessness.
- 3.5.3. Our approach tackles the weaknesses in current provision highlighted via the mapping by providing a more comprehensive, co-ordinated approach which will eliminate duplication and fragmentation. We will improve the effectiveness of current provision and plug relevant gaps.
- 3.5.4. Through the City Strategy we will develop a single strategy for the commissioning of programmes and services which will add value by ensuring strategies are developed more fully in response to local needs and issues. By creating an integrated system we will more effectively support target clients into sustainable employment by ensuring training and support that is linked to the individuals and to specific jobs.
- 3.5.5. We will develop a new approach to employer engagement founded on a single employer offer. This will build on current work undertaken through Local Strategic Partnerships (LSPs), Chambers of Commerce, Fair Cities, Sector Skills Councils, Jobcentre Plus and the LSC.

- 3.5.6. We will also add value through the strategy by integrating and aligning funds targeted at worklessness including existing Area Based Initiatives. A joint Investment Plan will establish ambitious performance targets for upskilling and recruitment of the economically inactive in the target areas across the City Region and the target groups within them. This will include joint commissioning of services by JCP and the LSC.
- 3.5.7. We will ensure that the City Strategy is embedded in wider regeneration initiatives. For example we have agreed, in principle with the Regeneration Zones in the Black Country and East Birmingham/North Solihull to develop an aligned investment plan for workforce development and employment in City Strategy wards.
- 3.5.8. We will integrate employment and skills with other policy areas including housing and health. We have already embarked upon detailed discussions with one of the major Housing Market Renewal Areas on how we best integrate our work into their delivery plan. Local Authority housing and regeneration officers are developing a joint protocol on construction employment related to housing developments. Similar discussions have begun with the Strategic Health Authority.
- 3.5.9. In setting specific targets we have ensured that these add value to existing LAA targets and the City Strategy will inform a potential City Region MAA. The City Strategy will strengthen existing local structures, such as Neighbourhood Management by integrating mainstream and community and voluntary sector services and enhancing JCP services for non JSA clients.
- 3.5.10. We will also utilise DAF funding for initiatives which utilise best practice from Action Teams, Employment Zones etc and which are developed in line with the City Strategy model. This will allow us to develop the most appropriate delivery options for our target groups and to deliver high quality outreach services which build on lessons learned and best practice that has taken place.
- 3.5.11. We will work to integrate the Business Brokerage service with City Strategy to ensure an appropriate focus on the target groups and wards. We will also link with LEGI activity that is taking place in Coventry, look to introducing best practice interventions from LEGI initiatives elsewhere and link with LAA 4th block activity.
- 3.5.12. **NESPs** will be key to linking improvements to mainstream and support services to the areas, communities and groups most in need. We will strengthen local management and partnership working which will see the alignment of local resources with those of all major providers. We will also ensure clearer referral, progression routes and interfaces between local and mainstream organizations.
- 3.5.13. We will ensure effective arrangements for **Caseload tracking** to monitor the progress of clients through initial assessment, to support, to employment and sustained employment. This will ensure that clients are not be lost through the system of referral and that duplication and gaps in service provision are eliminated. We will also eliminate the “revolving door” between work and benefits which is a reality for many by ensuring a greater focus on sustained employment and progression.

3.6. Targets

- 3.6.1. Our overriding outcomes are to **at least half the gap between the City Region employment rate and that of the priority wards** and in doing so to **increase the skills levels of target individuals** in order that they can **sustain employment**.
- 3.6.2. Increases in the employment rate should reduce the number of people claiming the main worklessness benefits of Job Seekers Allowance, Incapacity Benefit and Severe Disablement Allowance, and Lone Parent Income Support. Therefore, we will track changes in the working age client group claiming benefits to assess performance against our City Strategy.
- 3.6.3. The reason for this is that:
- we will have an established baseline for each of the target wards;
 - data about claimants can be more easily monitored than annual surveys of employment rates, enabling us to target City Strategy interventions and manage performance more effectively;
 - it allows us to regularly assess the performance of particular programmes as we can track on the basis of the individuals; and
 - it allows us to track the client should they move to another ward/locality.
- 3.6.4. However, there is no direct correlation between the employment rate and the numbers claiming worklessness benefits – in fact the proportion of the population not in work is roughly 50 per cent higher than the proportion claiming these benefits. However, if we assume that this relationship stays fixed, then a 3 per cent rise in the employment rate might be equivalent to a 2 per cent reduction in the proportion on worklessness benefits.
- 3.6.5. A halving of the gap in the employment rate between the City Region average and the priority wards might correspond to a fall of **3.56%** in the proportion claiming worklessness benefits by 2012, assuming no change in underlying economic conditions. This would lead to a reduction of 17,974 benefit claimants by 2012.
- 3.6.6. Given desire by DWP to see early and significant results from City Strategy we have established initial targets to May 2009. This fits with the pilot period proposed by DWP and with arrangements for national evaluation. These targets are outlined in the table below.

Indicator	Source	Baseline date	BASELINE	Targets	
				2007/08	2008/09
1. Reduction in main worklessness benefit claimants (those on JSA, Incapacity Benefit and Disability Living Allowance and Income support Lone Parent) within the City Strategy priority wards.	DWP Information Directorate	August 2006	126,490	-3547 (122,943)	-4,967 (117,976)
2. % reduction in differential between employment rate for BME communities in the City Region and the white population.	ONS/ LFS	Average annual % reduction 2004-2006	1.15%	1.3%	1.3%
3. % reduction in the percentage of children (0-4) in families in receipt of out of work benefits within the City Region.	DWP Information Directorate	Average annual % reduction 2004-2006	1.2%	1.3%	1.3%
4. % reduction in the percentage of children (5-15) in families in receipt of out of work benefits within the City Region.	DWP Information Directorate	Average annual % reduction 2004-2006	0.7%	1%	1.2%
5. 3% annual increase (in absolute numbers) in working age individuals in priority wards enrolling for a first level 2 qualification.	LSC learner database	2005/06 enrolments	9,889	10,186	10,491
6. 5% annual increase (in absolute numbers) in working age individuals in City Strategy priority wards enrolling for a Skills for Life qualification	LSC Learner database	2005/06 enrolments	3,964	4,162	4,370

3.6.7. **Indicator 1** is the indicator and associated target proposed by DWP in terms of the reduction in the numbers of claimants of the main workless benefits (those on JSA, Incapacity Benefit and Disability Living Allowance and Income support Lone Parent).

3.6.8. A reduction of 8,514 is proposed by May 2009. This has been translated by the Pathfinder into a reduction of 3,547 in 2007/08, and 4,967 in 2008/09. This to account for development and lead in time in embedding City Strategy at the local level in the first year of activity.

3.6.9. The strategy also seeks to reduce inequality in employment outcomes between the BME population and the white population in the priority wards. A large number of the priority wards have high concentrations of BME groups;

therefore, by targeting these wards the Strategy is also targeting those BME groups.

- 3.6.10. Due to lack of reliable data at ward level a proxy indicator (**Indicator 2**) is being utilised to measure success in this area. The aim is to increase the percentage reduction in the differential between the employment rate for BME communities in the City Region and the white population above past trend. The Pathfinder will continue to explore further measures in this area. It is also the intention that the Caseload Tracking system will aim to capture data on ethnicity of those supported via City Strategy.
- 3.6.11. A further aim of the strategy is to tackle levels of child poverty that exist in the priority wards and therefore, in the City Region. Again lack of meaningful data at ward or even local authority level prevents an accurate measure being available.
- 3.6.12. Again a proxy is being used (**Indicators 3 and 4**). The aim is to increase the percentage reduction in the percentage of children (both 0-4 and 5-15) in families in receipt of out of work benefits within the City Region. However, given that a large proportion of child poverty exists in low income families where at least one adult is in work we are examining the use of additional measures.
- 3.6.13. A further aim of the City Region strategy is to improve the skills levels among the population, particularly those within the priority wards. Not only will this lead to increased sustainability of employment and allow individuals to further progress once in work but it will again contribute to meeting the economic growth aspirations of the City Region.
- 3.6.14. To measure performance and impact in this area we will assess progress against **Indicators 5 and 6** - to increase the numbers of enrolments of individuals from priority wards to a First Level 2 qualification and a Skills for Life qualification.
- 3.6.15. Based on past trends and forecast performance it can be established that representation from individuals in the priority wards in terms of enrolments to first level 2 is low in comparison to the regional average.
- 3.6.16. The regional target for the next few years is to increase enrolments for first level 2 by 3% per annum. The Pathfinder is proposing to apply this target to the priority wards. If achieved this will demonstrate performance significantly above what would be expected.
- 3.6.17. The regional target for the next few years is to increase enrolments for Skills for Life by 3%-5% per annum. Given the low levels of basic skills in the priority wards and the importance of such qualifications to gaining entry level employment the Pathfinder is proposing applying the higher end of this target to the priority wards, seeking a 5% increase per annum in enrolments. Again if achieved this will demonstrate performance significantly above what would be expected.

3.7. Programme Budget

3.7.1. Within the City Region **Joint Investment Plan** and City Strategy budget we will seek to align key funding streams which are currently targeted on employment and skills.

3.7.2. In preparation for this we have been working with partners to identify resources available for employment and skills provision within the City Region. The table below outlines the resources that we are currently able to identify. It is important to note, however, that these are only indicative allocations. We are also having discussions with a number of additional funders in order to identify resources which can be allocated to support the City Strategy. We are working to refine and firm up actual figures as part of the City Strategy implementation process.

3.7.3. This highlights that there is limited new money available to support the City Strategy initiative. Where we can we will ensure that local resources enhance mainstream funding and will move to joint commissioning arrangements to ensure resources are being targeted at those in most need of support.

3.7.4. Where discretionary funding such as NRF is allocated to employment and skills theme this is considered as contributing to the City Strategy as partners will be aligning local activity to City Strategy joint aims and objectives. However, as highlighted by the mapping exercise a lot of the locally available funding is time limited. It is also the case that some funding is restricted to certain areas rather than available for distribution across the City Region.

Source	Amount 2006/07	Amount 2007/08	Amount 2008/09
City Strategy Seedcorn	£110,000	£210,000	-
Deprived Area Fund (D.A.F)	£1,370,000	£4,274,000	tbc
LSC Commissioning	-	£7,000,000	£7,000,000
JCP Mainstream	-	£17,300,000	tbc
LSC Train to Gain	-	£5,000,000	£7,500,000
Fair Cities (B'ham only)	£1,000,000	£4,000,000	
LSC ESF Co-financing	-	£5,600,000	£7,000,000
Neighbourhood Renewal (not Telford/Solihull)	-	£9,660,000	-
LSC City Region	£100,000	£250,000	£250,000
Total (indicative)	£2,580,000	£39,794,000	tbc

Notes:

1. Potential integration of New Deal for Communities budgets in Birmingham and Wolverhampton (£8m for 07-08; £4m for 08-09)
2. Negotiations taking place on joint investment plan approach with 2 Regeneration Zones re employment and skills block (approx. £2m p.a.)
3. D.A.F. to be agreed, caution on 2006/07 budget allocation

3.8. Cross Cutting Themes Appraisal

3.8.1. The **City Strategy** is key to the achievement of the overarching vision for the City Region, which seeks to ensure personal prosperity, business growth and quality of place. In contributing to this overarching vision the City Strategy will impact and support a number of cross cutting themes as outlined below.

Diversity

3.8.2. The cultural profile of Our City Region distinguishes it from the other city-regions in England by virtue of its increasingly diverse population. By 2015 there will be 135,000 fewer white working age people and 130,000 more BME people in the City Region, therefore, BME individuals will form a large proportion of the future workforce.

3.8.3. However, currently, many members of these groups are the least skilled and most likely to be economically inactive. They are also not traditionally recruited by employers in the industries where growth is expected to be strongest.

3.8.4. A large proportion of these groups and the workless within them are located within the City Strategy target wards. We have also identified this as a key target cohort for the City Strategy and will be working with local organisations and faith groups to tailor support to their particular employment and skills needs.

3.8.5. The City Region is also seeing increasing numbers of new migrants from Eastern Europe, the Middle East and Africa. These communities are locating in inner city areas. The impact of this international migration, in particular from accession countries is being assessed through a Migrant workers study. This study will assist in informing the City Strategy approach in this area.

3.8.6. The City Strategy also has a particular focus on working with employers to ensure fair and equal recruitment practices for all ethnic groups. We will be working with employers also to ensure those who are sick and disabled are better represented and supported in the workforce. We are also focusing on the particular needs of older workers and young people which will involve working with employers to combat any discrimination on the basis of age.

3.8.7. We will ensure that all groups involved in taking forward the City Strategy such as Employment and Skills Boards and Local Management Groups are representative in terms of ethnicity, gender, age and disability.

Health

3.8.8. Health, employment and skills are intimately related in a variety of ways. Sustainable employment can be the basis of health and well being, whereas worklessness and lack of skills can have a detrimental impact on the health and well being of individuals. Therefore, ensuring linkages with health in taking the City Strategy forward is essential.

3.8.9. This is particularly the case given the high numbers of incapacity benefit claimants within the City Region. Through the City Strategy we are placing particularly emphasis on engaging with primary health care services and mental health services in developing City Strategy interventions.

3.8.10. We have commenced strategic and operational discussions with the regional Strategic Health Authority which we will be feeding into City Strategy implementation. We are also working to align Pathways to Work with the City Strategy. We will also be working with employers to ensure and increased focus on workplace health.

Economic growth

3.8.11. Achieving sustainable improvements in economic performance will depend on creating the conditions to provide sustained business growth, create job opportunities and attract private investment across the City Region. Improvements also depend on investing in the skills of the workforce and addressing deprivation and low levels of economic participation.

3.8.12. To achieve the City Region vision and targets, and narrow the gap with the UK in terms of GVA per head, City regional partners will need to deliver a package of support to increase productivity and increase economic participation.

3.8.13. Efforts to expand and raise productivity and levels of economic activity in the City Region will require and generate increased demand for employees with the right skills. There will be a need for 350,000 new recruits to the City Region labour market by 2015, 80% of which will be by replacement demand. Of these a greater proportion will require higher levels skills with demand for people with no qualifications reducing significantly.

3.8.14. The City Strategy will support this by assisting to grow both the size and capacity of the workforce. Our integrated approach to employment and skills and key involvement of employers in the process will ensure that people have the skills to work and that the skills within our workforce are matched to the needs of employers and to the City Region economy. In particular we will focus on the employment and skills needs of key growth sectors.

Regeneration

3.8.15. There is significant physical regeneration taking place across our City Region. In taking this activity forward we need to ensure that we promote spatially balanced economic growth and take targeted action to link areas of opportunity of need. This will allow us to strengthen the complementary economic roles performed by the different parts of our City Region, whilst also being aware of potential developments beyond our immediate boundaries. It will also ensure that all individuals are sharing in growing economic prosperity and that we are harnessing the employment and skills opportunities arising from key regeneration initiatives.

3.8.16. City Strategy interventions will directly support physical regeneration activity in our most disadvantaged areas and will seek to ensure that local people are linked with the job opportunities being created and are equipped to fill the vacancies arising through replacement demand.

3.8.17. In taking forward the City Strategy we will work intensively with local authorities to secure greater commitment to local employment from developers. We have already embarked upon detailed discussions with one of the major Housing Market Renewal Areas on how we best integrate our

work into their delivery plan. Local Authority housing and regeneration officers have agreed in principle to developing a joint protocol on construction employment related to housing developments. We are also working to ensure that Growth Point areas are aligned to the City Strategy.

- 3.8.18. We will ensure that we track all major development projects and support the development of “Employment Hubs” which will see partners pooling resources and expertise with dedicated teams set up to market vacancies, assess recruitment and skills needs and develop bespoke packages to match employer’s needs.

Social Inclusion

- 3.8.19. Social inclusion is about reducing inequalities between the least advantaged groups and communities and the rest of society by closing the opportunity gap and ensuring that support reaches those who need it most. Improving employment and skills is key a key element of activity in this area.

- 3.8.20. The City Strategy has a clear aim of closing the gap in the employment rate between those wards and individuals suffering from the highest levels of social exclusion and the rest.

- 3.8.21. The Index of Multiple Deprivation is a key indicator of levels of deprivation and social exclusion within local areas. An average of 43% of Super Output Areas (SOAs) within the City Strategy target wards are within England’s 10% most deprived SOAs as measured by the Index of Multiple Deprivation, in some of the target wards over 90% of SOAs are within the 10% most deprived. Therefore, the City Strategy has a clear focus on tackling employment and skills issues within these areas, therefore, contributing to social inclusion.

- 3.8.22. As well as targeting those areas where social exclusion is concentrated the City Strategy is targeting excluded client groups such as lone parents, older workers and those on incapacity benefit, as identified in the Welfare Reform Green Paper.

- 3.8.23. The City Strategy recognises that social exclusion is due to a complex range of factors often interlinked. Therefore, our approach aims to join up activity to ensure a comprehensive approach, incorporating elements such as health and education.

4. GOVERNANCE AND MANAGEMENT

4.1. Governance

4.1.1. We are putting in place four **Employment and Skills Boards**:

- Birmingham and Solihull
- The Black Country
- Coventry and Warwickshire
- Telford

4.1.2. The Boards will be developed around an employer led model, building on current local structures, will be non-executive and will have an operational role around employer engagement. Relevant Sector Bodies will provide a direct feed into the Boards via Sector Champions.

4.1.3. The Boards will:

- Provide a single focus for employment and skills in the wider context of local/sub-regional economic development and regeneration and thereby a strong employer input and contribution to Local Area Agreements
- Endorse, support and oversee a Joint Employment and Skills Plan for their particular locality, bringing together the work of JCP and the LSC to equip local people with the necessary skills and competencies for sustainable employment and to provide employers with an adequate supply of labour to meet their current and future skill needs
- Act as a vehicle for engaging with a wide range of employers through strengthening links with established representative bodies and sector networks
- Provide a sounding board and feedback mechanism for the new integrated business and skills brokerage service, to ensure that it is matching customer demand and achieving appropriate service quality standards
- Facilitate the improvement of employment opportunities and outcomes for disadvantaged residents

4.1.4. The Boards will be private sector led and will have representation from key employers and sector representatives as well as key agencies. Membership will be at a senior level and will include:

- Local Employers (high profile, large and SME)
- Employer Representatives of key sectors
- Local Authorities
- Jobcentre Plus
- LSC

4.1.5. The Employment and Skills Boards will meet on a quarterly basis and will be chaired by a nominated Employer representative. Terms of Reference are included at Appendix 3.

4.1.6. An **Employment and Skills Executive Group** will oversee all employment and skills activity in the City Region. This group will:

- Provide an overarching strategic direction for Employment and Skills activity in the City Region
- Approve a framework for the commissioning of employment and skills support in the City Region
- Approve the use of funding for City Region Employment and Skills activity (inc City Strategy) in accordance with strategic objectives
- Oversee the development of a City Region Joint Investment Plan for Employment and Skills

4.1.7. Membership will be kept at a senior level. The proposed membership is:

- Employment and Skills Boards Chairs (x4)
- Learning and Skills Council Regional Director
- Job Centre Plus Regional Director
- Nominated Chief Officer/Director from the City Region Local Authorities

4.1.8. This group will meet bi-annually and will be chaired by the City Region Employment and Skills Portfolio holder

4.1.9. A **City Strategy Management Group** will be responsible for the operational management of the City Strategy Initiative. This Management Group will:

- Guide and oversee the commissioning, implementation and delivery of the City Strategy Integrated Employment and Skills system
- Have responsibility for performance management
- Co-ordinate the use of funding for City Strategy in accordance with strategic objectives
- Provide overall guidance to the City Strategy Core Team.

4.1.10. The proposed membership will ensure a direct linkage to the Employment and Skills Executive Group and will also include senior officers responsible for implementation and delivery of City Strategy, it includes:

- Learning and Skills Council Regional Director
- Job Centre Plus Regional Director
- Learning and Skills Council Regional Skills Director
- Job Centre Plus External Relations Manager
- Local Authority Lead Officers
 - Birmingham and Solihull (x1)
 - Coventry and Warwickshire (x1)
 - Black Country (x4)
 - Telford (x1)

4.1.11. This Group will meet on a monthly basis. Terms of Reference are included at Appendix 4.

4.1.12. A **City Strategy Core Team** will be responsible for:

- Day-to-day co-ordination, management, implementation and delivery of the City Strategy Initiative across the City Region
- Commissioning of City Strategy employment and skills support
- City Strategy administration and financial management
- Performance management/monitoring reporting of City Strategy
- Evaluation of City Strategy activity

It will include:

- City Strategy Officer (x3)
 - Learning and Skills Council Secondee (Lead Responsibility Training and Integrated Employment and Skills)
 - JobCentre Plus Secondee (Lead responsibility Employer Engagement)
 - Local Authority Secondee (Lead responsibility Client Engagement)
- City Strategy Economic Development Director (lead responsibility for Finance, Contracting and Performance Management)
- City Strategy Support Staff (x1)

4.1.13. The Core team will be placed under the City Region strategic management function within the Regional Skills Team of the LSC given the LSC's role as accountable body for the City Strategy Initiative.

4.1.14. The City Strategy proposes that **Local Management Groups** are responsible for the co-ordination of City Strategy activity in the 55 target wards. These groups will oversee the activity of Neighbourhood/Ward Groups which will provide a forum for joining up and linking local employment and skills activity. The Groups will be required to:

- Oversee the implementation of City Strategy at a local level
- Co-ordinate activity of and give strategic guidance to the relevant local group/structure (Neighbourhood/Ward Group) that exists to co-ordinate skills and employment activity in priority neighbourhoods/wards
- Co-ordinate the development of Neighbourhood Employment and Skills Action Plans
- Ensure effective access to City Strategy support for priority groups
- Advise on most effective use of resources in line with City Strategy
- Co-ordinate local level performance reporting and evaluation
- Broker relationships with other support agencies and infrastructure
- Ensure effective client engagement referral processes are in place across and between organizations

4.1.15. Membership must ensure representation from all key agencies involved in the delivery of employment and skills support at the local level and from other support agencies and infrastructure as relevant. Membership must include:

- Local authority lead officers for employment and skills activity
- JobCentre Plus representative
- Learning and Skills Council representative

4.1.16. It is envisaged that the Groups will meet on a monthly basis. It is proposed that these groups are the relevant Local Strategic Partnership group for Employment and Skills/4th Block LAA activity in each particular Local Authority area. These are considered the most effective bodies to take forward the co-ordination of local and neighbourhood/ward City Strategy activity. Terms of Reference are included at Appendix 5.

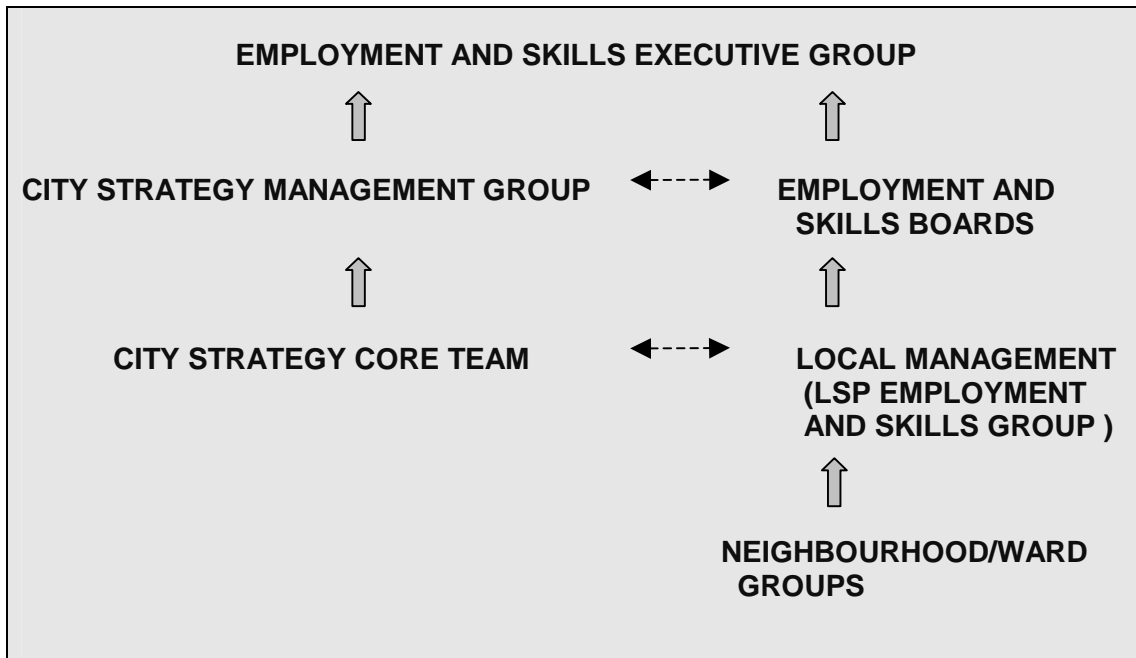
4.1.17. **Neighbourhood/Ward Groups** should also be equipped to take forward neighbourhood/ward level City Strategy activity. Again we need to agree these as soon as possible, and ensure that they are fit for purpose to deliver the City Strategy.

4.1.18. These groups will report to the relevant Local Management Group/theme group of the LSP. Suggested membership is:

- Local representatives of key partners e.g. LSC, JCP, Local Authorities
- Local community organizations
- Providers engaged in employment support
- Local regeneration projects
- Area based initiatives
- Local service providers e.g. GPs, RSLs, Sure Start, Addiction Services

4.1.19. Again it is proposed that these Neighbourhood/Ward Groups build on existing local structures. This will be the relevant local group/structure that exists to co-ordinate skills and employment activity in priority neighbourhoods/wards. These groups are expected to have strong third sector involvement.

4.1.20. The above is summarised in the diagram below:



4.2. Performance and Financial Management

Performance Management

- 4.2.1. We will assess performance **based on the tracking of target caseloads** through City Strategy support. Target caseloads will be identified at a local level via the **NESPs**. This will assist us in ensuring clear and critical referral is taking place and outcomes are being achieved at each stage of the process. This tracking will be undertaken by **Caseload Tracking Team** who will receive regular progress reports on the caseloads.
- 4.2.2. The City Strategy Management Group will have overall responsibility for monitoring and reporting on progress, both on activities in our Business Plan and on achieving our targets. This will be supported by the Core Team. The Core Team will have responsibility for implementing effective systems and procedures for reviewing progress against key objectives, milestones and targets.
- 4.2.3. Progress will be reported on a quarterly basis to the City Strategy Management Group – with recommendations, where appropriate, for addressing poor performance and for sharing of good practice and lessons learned.
- 4.2.4. Each Local Management Group will be responsible for collating output and other management information from mainstream and contracted support activities /available to the relevant City Strategy wards in their locality. This will be reported to the City Strategy Core Team and used to inform monthly monitoring reports.
- 4.2.5. The Core Team will also undertake quarterly review meetings with Local Management Groups. These reviews will consider effective delivery of activities and the contribution of these activities to the City Strategy targets.
- 4.2.6. The Core Team will be responsible for identifying, evaluating, sharing and implementing good practice and for making recommendations to the City Strategy Management Group. The Management Group will review progress, identify areas for improvement and guide implementation of remedial activities.
- 4.2.7. There will be three elements to performance monitoring:
- **Assessment of performance against key indicators** to measure outcomes and targets (including milestones) and assess impact, including on different target wards and population groups and on 'closing the gap'. These are shown in the targets table and include:
 - Benefit claimants
 - Inequality (through differential in employment rates)
 - Child poverty (through children in workless households)
 - Participation in learning
 - **Caseload tracking** to provide longitudinal data on individual clients at each stage of the client journey. The data would include information on each client's individual characteristics, the support they receive

(inputs, processes) and their outcomes in terms of qualifications, employment etc.

- **Collation of provider and management information** to provide data on costs and outputs of different programmes and interventions.

Performance Management System

4.2.8. It has been agreed that a dedicated shared performance management system will be introduced for City Strategy. This will build on existing systems; be managed and maintained within the Caseload Management function that is to be established within JCP; and informed by all partner activities. It will need to be able to:

- Track progress at individual, cohort/caseload, ward, Local authority and City Region level
- Monitor interventions of a range of agencies
- Monitor a number of interventions in an individual's journey towards employment
- Build on/link with existing data capture/tracking systems
- Demonstrate the particular outcomes and impacts of specific interventions
- Inform future action and planned

We wish to be able to track each stage of the client journey, e.g.:

- Was the individual engaged/targeted for support?
- Did the individual receive the identified support?
- Did the individual receive the identified training?
- Did the individual get the appropriate job?
- Is the individual sustaining the job?

4.2.9. It is the intention that a cohort/client caseload is identified at ward level and then tracked through each stage of support that they receive. We will develop suitable outcome numbers, in line with our overarching targets, once we have developed NESPs and the Caseload Management function is in place.

4.2.10. Separate work is being carried out to review options for a client tracking database. To date the MG Rover and Trellis databases have been reviewed, and four other potential systems identified: those used by Fair Cities, Pertemps and Biscom, and new systems being developed for the implementation of city strategy in Glasgow, Edinburgh and Tyne and Wear. This review of options will lead to a comparative analysis of the strengths and weaknesses of existing database systems.

4.2.11. At the same time, work is being undertaken to specify exactly the type of information to be held by the client tracking system. Such information will be key to the establishment of the measures that will inform the performance management framework. Work is also being undertaken to establish the detailed processes for providing information to – and receiving information from – the client tracking database.

4.2.12. All this will be utilised to inform a detailed specification.

Financial Management

4.2.13. The LSC as the Accountable Body for the City Strategy Consortium will be responsible for managing development funding and any pooled funding that may become available. These funds will be subject to the LSC financial and audit procedures. The procedure is managed by the Regional Director of Finance and Resources who is responsible for:

a) Contracting

- Maintaining an accurate and robust Provider contract register for the Region.
- Providing assurance to the Regional Director that all contracts clearly articulate the intended purchase, identifying outcomes, evidence requirements and payment arrangements and demonstrate that allocations focus on regional and local targets.
- Directing the development and maintenance of methodologies and internal processes to support the allocation/award of programme funds to providers to enable efficacy in the use of available funds
- Monitoring commitments and progress towards the related targets by funding stream, reporting variances to the Regional Management Team.
- Maintaining a schedule of risks attributable to individual contractors' performance, compliance and public funds, recommending appropriate action to minimise risk.
- Ensuring providers are paid the appropriate amounts.
- Report regularly to regional and partnership directors, summarising provider performance and matters in relation to contract compliance to inform and support effective provider management.

b) Audit

- Monitoring financial health and financial viability issues.
- Plan and oversee an annual programme of audit work on providers
- Provide financial analysis, risk management and consideration of affordability and levels of support to be given to major, complex, innovative and/or sensitive infrastructure and intervention proposals.

c) Finance

- Produce timely, relevant and accurate financial and budget information and reports for regional and local management.
- Ensure that financial resources allocated to the region are delegated, managed and controlled efficiently and effectively
- Interpret financial and resource management information and provide assurances to the Regional Management Team on the efficient and effective management of the resources.

4.2.14. The work of the City Strategy Core Team will be subjected to the LSC contracting, audit and financial procedures at all stages. Through the above processes they will be provided with accurate up to date financial and performance data on a monthly basis. The information will be used as a basis of reporting to the City Strategy Management Group and DWP. The City Strategy Management Group will be provided with quarterly financial

management reports. They will be responsible for overseeing City Strategy finances and for reporting on this to the City Region Employment and Skills Executive Group and to DWP.

4.2.15. Consortium partners will retain responsibilities for financial and performance management of the budgets which are identified for potential pooling.

4.3. Administrative Budget

4.3.1. We are currently working to develop and agree the City Strategy administrative budget. The table below outlines the administrative costs that we have identified to date and specifies how these are being met. Currently the majority of costs are being met via Seedcorn Funding and via funding from the Learning and Skills Council to support the City Strategy implementation.

Purpose	Resource Required	Funding Source
<p>City Strategy Core Team Costs are based on 12 month salaries for the staff outlined. This staff team will be put in place from 1st April 2007. We are in the process of identifying LSC, JCP and Local Authority lead team members.</p>	<p>LSC Appointee £ 45,000 JCP Appointee £ 45,000 Local Authority Appointee £ 45,000 Admin Support (x1) £ 20,000 Total annual staffing costs £155,000</p>	<p>Staffing costs will be met from City Strategy seedcorn funding. We are currently exploring as a Consortium how staffing costs will be met beyond this period.</p>
<p>Employer Engagement Support This will encompass resources to cover the set up costs for the 4 Employer Boards that will be created to guide the City Strategy. It will be utilised to map existing regional and sub-regional employer engagement structures and determine linkages with these in order to ensure consistency of approach. Resource will also be required to continue to support the operation of the Employer Boards.</p>	<p>Year 1 £25,000 Years 2 onwards £ 5,000</p>	<p>Costs will be met for the first and second years from seedcorn funding. We are currently exploring as a Consortium how costs will be met beyond this period.</p>
<p>Community Engagement Support To assist with City Strategy implementation a resource of £10,000 will be given to each of the eight city region LSPs (excluding Birmingham who have made significant progress through Floor Target Action Plan work) to contribute to reviews of current arrangements, assessment of how the City Strategy approach fits with this and design of the most appropriate way of utilising and/or adapting current structures to take forward the City Strategy.</p>	<p>Year 1 £70,000</p>	<p>Costs will be met through seedcorn funding.</p>
<p>Consultancy Support To allow for time taken to put in place the City Strategy Core Team we have incorporated within our administration budget resource to cover consultancy support. This is to cover support in developing the seedcorn bid and business plan and to assist with progressing towards implementation of the City Strategy.</p>	<p>Year 1 £40,000</p>	<p>This will be met by the LSC.</p>

Purpose	Resource Required	Funding Source
Marketing and PR This resource will be utilised to attract employer interest in the City Strategy and to raise awareness of the initiative among target individuals.	Year 1 £25,000 Year 2 £15,000	This will be met by the LSC and JCP.

4.4. Risk Management

- 4.4.1. The system of internal control and risk management which we will put in place will be designed to identify and manage the risks to achieving our Consortium policies and aims in line with guidance from the Treasury. We will take a rigorous approach to managing risks. This will be undertaken through the LSC procedures.
- 4.4.2. The LSC as accountably body for the Consortium has a local audit committee. This body is responsible for monitoring and challenging the approach to risk management, governance and systems of internal control. This local audit committee feeds into the LSC National Audit Committee which, is made up entirely of non-Executive members – three members of the national council, three Chairs of local audit committees and an independent member with a financial background.
- 4.4.3. The LSC local audit committee reports directly to the LSC Chief Executive and Consortium member lead David Cragg and the LSC Management Group. Through David Cragg this will feed into the City Strategy Management Group which will have overall responsibility for co-ordination, programme design and resource planning of the City Strategy. The chairs of the 4 employer boards are included on this Group together with JCP, the LSC a representative from the City Region Local Authorities and the Employment and Skills Portfolio holder for the City Region.
- 4.4.4. The approach which the Consortium will take to managing risk is to identify, assess and appropriately control all risks to achieving our aims. We are developing a detailed risk register for the City Strategy, outlining the risks, mitigating actions, and measure of likelihood of risk occurring. This will be regularly updated on current status and monitored by the City Strategy Core Team. We will give responsibility for each identified risk to a specific individual. The LSC Risk Manager will provide advice and guidance helping consortium members to take account of risk management in day-to-day business and to spread best practice.

Risk Management log

Risk	Impact	Mitigating Action
Lack of agreement with partners on City Strategy	High	City Strategy activity is developed on a partnership basis. Regular engagement is taking place with partners to develop Business Plan with further engagement on implementation. Partners are fully involved in joint development of City Strategy.
Failure to adequately reflect partners activity	Low	Clear principle of City Strategy is to build on and complement existing activity including LAAs, City Region and neighbourhood activity. Key partners are engaged in developing the City Strategy. Interventions and targets build on current activity.
Delays impact on ability to deliver	Medium	Key partners are highly experienced in managing complex programmes and will put in place mitigating measures. We have preparing for City Strategy implementation alongside the development of the Business Plan and will continue to make progress while awaiting feedback from DWP. We are already commissioning activity in line with City Strategy objectives e.g. ESF funded activity.
City Strategy costs increase above available budget	High	We are working to establish firm and realistic budgets for the implementation of the City Strategy via the City Region Joint Investment Plan for Employment and Skills. We will keep budget under tight review and are putting in place rigorous financial management procedures. The LSC as accountable body has extensive experience in effectively forecasting budgets and in managing costs within this. The City Strategy Management group will meet monthly to review project performance and funding and will take action where required.
Macro economic factors impact further on the local economy e.g. major job losses	High	The City Strategy will be flexible enough to adapt and accelerate efforts to combat adverse economic shocks. The City Strategy will also complement other City Region activity to reduce dependency on vulnerable sectors and to increase the capacity of the local economy to respond positively to macro economic challenges.

4.5. Implementation Timeline

4.5.1. Our current Implementation Plan is included at Appendix 6, however, this is an evolving document and is regularly updated. Key Milestones with regard to each of the main workstreams covering the initial pilot period are outlined below:

City Strategy – Key Milestones			
Workstream	Phase 1 - Implementation 2007/08-2008/09	Phase 2 – Rollout and Review 2009/10-2010/11	Phase 3- Succession 2011/12
Management, Planning and Co-ordination	<ul style="list-style-type: none"> • City Strategy Core Team established • City Strategy and City Region Management and Governance structures in place • City Strategy budget agreed • Performance Management framework agreed • Performance Management System developed and piloted • Evaluation framework agreed • Evaluation support commissioned • Communication strategy developed 	<ul style="list-style-type: none"> • Business Plan refresh • Targets refresh • Refresh budget • Arrangements for ongoing funding of Core Team agreed • Interim evaluation of City Strategy progress to date • Required revisions to model proposed and developed 	<ul style="list-style-type: none"> • Succession strategy and future arrangements in place and delivered • New model of intervention implemented and available to all in the City Region (subject to Govt approval)
Employer Engagement	<ul style="list-style-type: none"> • Employment and Skills Boards established in each of the localities • Employer Relationship function developed • Core employer offer and job brokerage service developed and piloted • Public Service Compact extended to City Strategy consortium members 	<ul style="list-style-type: none"> • Core employer offer and job brokerage operating successfully • Public sector targets for recruitment of individuals from City Strategy target wards • City Strategy offer integrated within Inward Investment Strategy/Services • Public service compact extended to all public sector employers in City Region 	<ul style="list-style-type: none"> • All employers in City Region committed to new approach

City Strategy – Key Milestones

Workstream	Phase 1 - Implementation	Phase 2 – Rollout and Review	Phase 3- Succession
	2007/08-2008/09	2009/10-2010/11	2011/12
Client Engagement	<ul style="list-style-type: none"> Local Management Groups identified Ward groups developed Neighbourhood Employment and Skills Plans (NESP)s developed for each of the City Strategy target wards Core client offer developed and piloted Client engagement protocols developed and piloted Pilot “bridges to employment” 	<ul style="list-style-type: none"> Full refresh of NESP)s Core client offer fully available in all City Strategy wards Client engagement protocols developed with full range of support services Successful “bridges to employment” incorporated within core offer 	<ul style="list-style-type: none"> Core client offer available throughout the City Region
Integrated Employment and Skills Service	<ul style="list-style-type: none"> Employment and Skills assessments built into mainstream provision through development of protocols Employment and Skills coaches commissioned Single commissioning processes and documentation agreed Joint commissioning piloted in use of DAF resource 	<ul style="list-style-type: none"> City Strategy Integrated employment and skills system operating successfully in target wards Single commissioning pot and arrangements in operation for Employment and Skills throughout the City Region Joint commissioning and procurement undertaken 	<ul style="list-style-type: none"> Mainstream programmes fully reformed in line with successful aspects of City Strategy Approached embedded within City Region Plans

5. CONSULTATION, COMMUNICATIONS AND LEARNING

5.1. Consultation

5.1.1. Our City Strategy approach is founded on bringing stakeholders together to improve the way that employment and skills support is co-ordinated and delivered on the ground. Therefore, the development of the City Strategy is being taken forward on a partnership basis by City Region partners. Following announcement that the City Region was allocated a City Strategy Pathfinder we established a number of working groups to take forward development of the City Strategy Business Plan.

5.1.2. Each of these working groups was led by a different City Strategy Consortium member and included representation from a range of public and private sector partners. The working groups and consortium leads are outlined below. Appendix 7 specifies the membership of each of these working groups.

Working Group	Lead Member
Client Engagement	Local Authorities
Employer Engagement	JobCentre Plus
Integrated Delivery Plan	Learning and Skills Council
Flexibilities and Barriers	JobCentre Plus
Management and Planning	Learning and Skills Council

5.1.3. Each working group set out a delivery plan identifying the key activities that would be pursued in developing the City Strategy. The outputs from the working groups formed the basis of this City Strategy Business Plan, its desired outcomes and actions to be taken forward.

5.1.4. A City Consortium Core Group was established which includes representation from each of the Consortium members. The membership of the Core Group is also outlined at Appendix 7. The Core Group is responsible for overseeing the development of the City Strategy Business Plan.

5.1.5. The City Strategy has also been discussed at the City Region Chief Executive Board and City Region core group. Consultation has also taken place with the Strategic Health Authority, Local Authority Housing departments, HMR Pathfinders and Advantage West Midlands. We have also held 2 consultation events - one with Providers and one with the Voluntary and Community Sector.

5.2. Communications

5.2.1. We are currently developing a robust framework for communications and marketing which will cover key messages and key audiences with whom we need to communicate the City Strategy. This will include:

- the development of plans to cover specific issues;
- delivery of consistent messages to key stakeholders;
- launch of City Strategy;
- branding of City Strategy;
- marketing of City Strategy services to employers; and
- marketing of City Strategy services to client groups

5.2.2. The Pathfinder intends to utilise a portion of the seedcorn funding to hold a series of awareness events on City Strategy for a range of stakeholders throughout the City Region.

5.2.3. Awareness events and presentations have been undertaken among the key agencies involved such as JCP, LSC, Local Authorities, and Local Strategic Partnerships. There are also plans in place to hold a workshop on closer working between organisations and the development of working relationships/partnerships. Extensive consultation will be undertaken at the local level as part of the development of NESP.s.

5.3. Learning

5.3.1. A commitment to learning will be at the heart of our City Strategy approach. We have established links with a number of other City Strategy pathfinders in order to share experiences and lessons learned. We have also participated in a range of workshops with other City Strategy Pathfinders and DWP.

5.3.2. The City Strategy has a strong focus on learning lessons from evidence. This recognises the importance of using existing lessons on what works and why and making sure current data and service information at the local level informs planning and delivery.

5.3.3. We are exploring mechanisms for the dissemination of good practice, research and data. This includes looking at the development of case studies of local lessons learned and assessments of the key messages that can be used in other contexts. Lessons learnt will be shared within the City Region, region and nationally. We will continue to draw on the expertise and experience of partners. We will encourage and support those partners to share lessons learnt and good practice.

5.3.4. A number of "Test Beds" will be put in place to test various elements of City Strategy model. Systems will be put place to ensure that communication of lessons from these is communicated to the local areas and built into evolving approaches.

5.3.5. Quarterly workshops/learning events will be held for local areas to share experiences and lessons in developing the City Strategy approach. Audience will include Local Management Group representatives from each of the 8 local authority areas together with City Strategy Core Team and Management

Group members. Attendance will be extended to wider stakeholders where relevant.

5.4. Review and Evaluation

5.4.1. Monitoring and evaluation will be built into the City Strategy from the offset. We are currently developing a clear evaluation strategy as part of our City Strategy implementation. In doing this we have established links with DWP to ensure that local evaluation is designed to complement and inform national evaluations taking place.

5.4.2. A formative approach to evaluation and longitudinal study to demonstrate impacts is planned. Once we are informed of national evaluation plans we will develop a specification for local evaluation of City Strategy. We see the purpose of this evaluation as threefold:

- To assess the impact of the City Strategy on its key ambitions of increasing skills and participation and reducing worklessness;
- To learn about the effectiveness of the key processes and other features of the City Strategy approach; and
- To provide feedback to City Region partners on how the approach is working for review, performance management and improvement as required.