

Proforma for Expressions of Interest for DWP City Strategy

In completing this proforma, you will wish to refer to the accompanying guidance note. Completed forms must be returned by 12.00pm on Monday 3rd July 2006. They should be emailed to city-strategy@dwp.gsi.gov.uk, or sent in hard copy to:

City Strategy 'Expression of Interest'
 City Strategy Project Team
 Department for Work and Pensions
 Area 5, 2nd floor, The Adelphi
 1-11 John Adam Street
 London, WC2N 6HT

Late submissions will not be accepted. If you are sending hard copies, we recommend that you retain some form of proof of delivery.

Expression of interest for DWP city strategy

Please state the city or town to which this expression of interest relates:

Blackburn with Darwen

What geographical focus do you propose for your consortium? Why is this the most appropriate focus? Please attach a list of wards covered.

Blackburn with Darwen will provide the overall geographic focus for the consortium. It is the ambition of neighbouring East Lancs NRF authorities to implement the new approach outlined here in the future, and as such they have been consulted upon, contributed to its content and submitted letters of support (Appendix D). However at this stage it is accepted that due to the strong existing partnership already evident in BwD this ambitious programme should, at the first instance, operate within one local authority area. It is also the intention that as part of the Central Lancashire City Region, that if successful, best practice will be shared with colleagues in Preston and Blackpool (and vice versa).

Why Blackburn with Darwen? The Borough is a unitary authority that has achieved excellence status in recent CPA reviews and is a 'Beacon Council' for Fostering Business Growth. There is a solid foundation in the shape of a mature Local Strategic Partnership and a Local Area Agreement already in place – which importantly has highlighted worklessness as a cross cutting theme across all sub-groups of the LSP. It has an established multi-agency Strategic Employment Group and has twice successfully achieved PSA stretched targets in conjunction with Jobcentre Plus. It is this commitment to addressing worklessness that will prove invaluable for a successful pathfinder - and it is this base that we will build upon.

At 69.7% the borough employment rate lags some way behind regional (72.7%) and national (74.7%) levels. In numbers terms the borough would require a net increase of over 4000 people in employment to achieve parity with national rates. However this masks a more severe problem inherent across a number of communities - **deep rooted pockets of worklessness exist that are akin to anything found in cities nationwide**. When considered against future labour market and economic trends, outlined later, it is evident that a radical approach must be adopted to ensure this polarisation isn't exacerbated. Indeed, **statistics show at 50.3%, the**

working age employment rate in local Jobcentre Plus priority wards is some way below borough level – let alone the aspirational 80% rate set by the Government.

For this reason the pathfinder will make special focus on JCP priority wards within a wider borough context. Appendix A lists all borough wards, highlighting JCP priority wards.

Briefly outline the labour market and skills demand context in which your consortium will operate, including significant future trends.

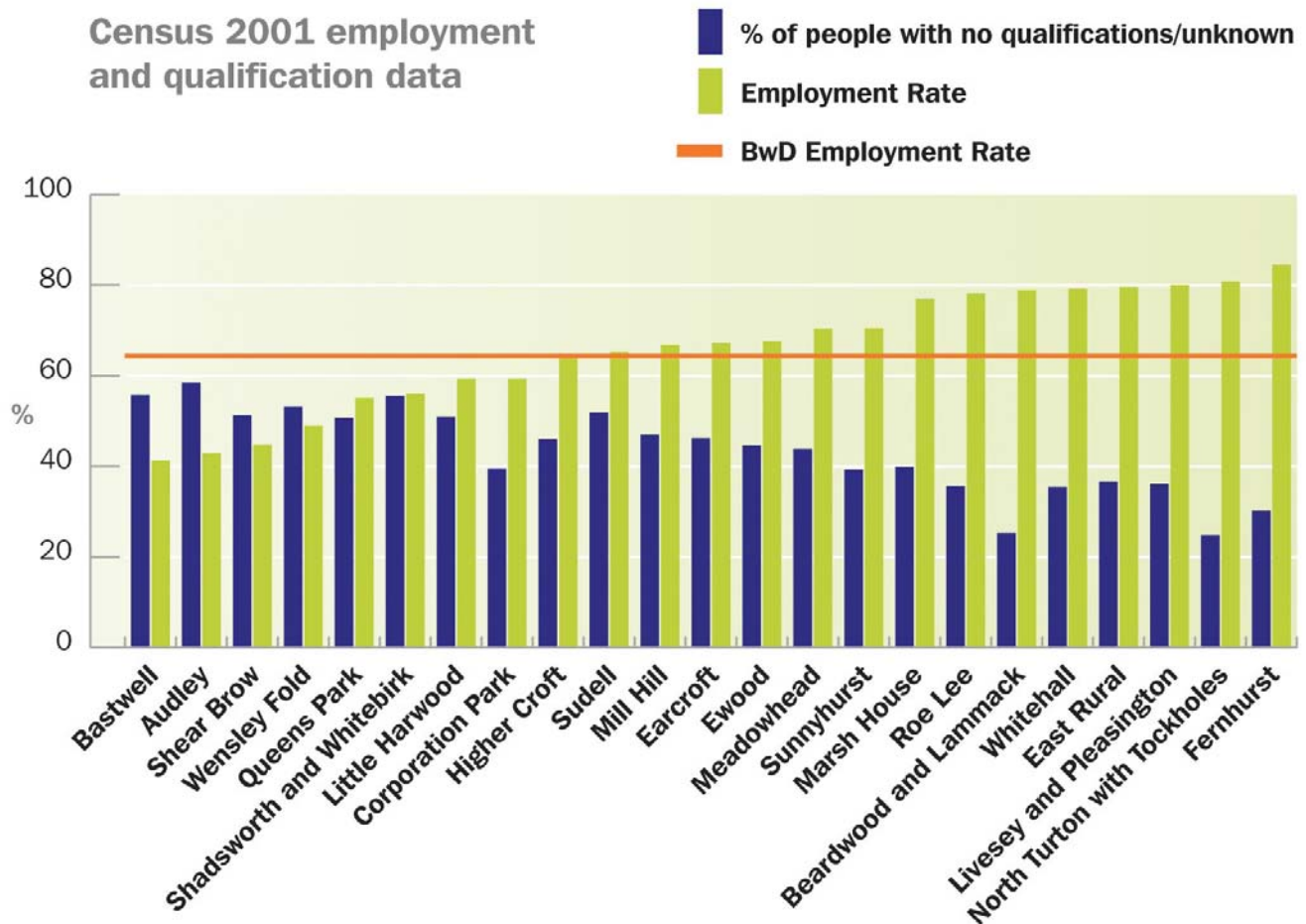
Blackburn with Darwen has a proud and longstanding reputation for manufacturing, with a high proportion of the population reliant on the sector. Accounting for 24.5% of the jobs locally, compared to 13.8% regionally and 11.9% nationally. This equates to approximately 15,500 jobs out of over 62,500 jobs in the borough as a whole. Low wage rates are inherent in the Borough: £368 per week, compared to £410 regionally and £433 nationally, suggesting that many of these jobs are lower down the value chain. As a result of this unique composition, headline Gross Value Added per head (£12,636) lags behind regional (£14,269) and national levels (£16,521). Exemplifying a productivity gap that the Northern Way is seeking to address, which is evidently more severe in the borough than across the North.

This represents a worrying structural weakness in the local economy that will be intensified by the continued pace of globalisation forecast over the next decade. **Quite simply the local labour market is set to transform.** Lower level jobs in the manufacturing industry will be lost and replaced by those in the service sector, including retail, caring, call centre and administration. In addition new higher value jobs in advanced manufacturing, medical technologies and IT/business services will be created.

It will be more important than ever that the skills of our client groups, both in and out of work, match to the changing employment opportunities of the local labour market. Resources of partner agencies must be deployed more effectively and strategically if we are to progress people into work and move those employed up the value chain.

The size of the task is encapsulated in the graph below which clearly shows a link between qualification levels and employment rates at ward level.

Census 2001 employment and qualification data



Source: Census 2001

Appendix B maps the dependence on manufacturing and highlights the problem as unique to East Lancashire – demonstrating ‘one economy’ and providing further evidence that a successful pathfinder could be replicated across the sub-region.

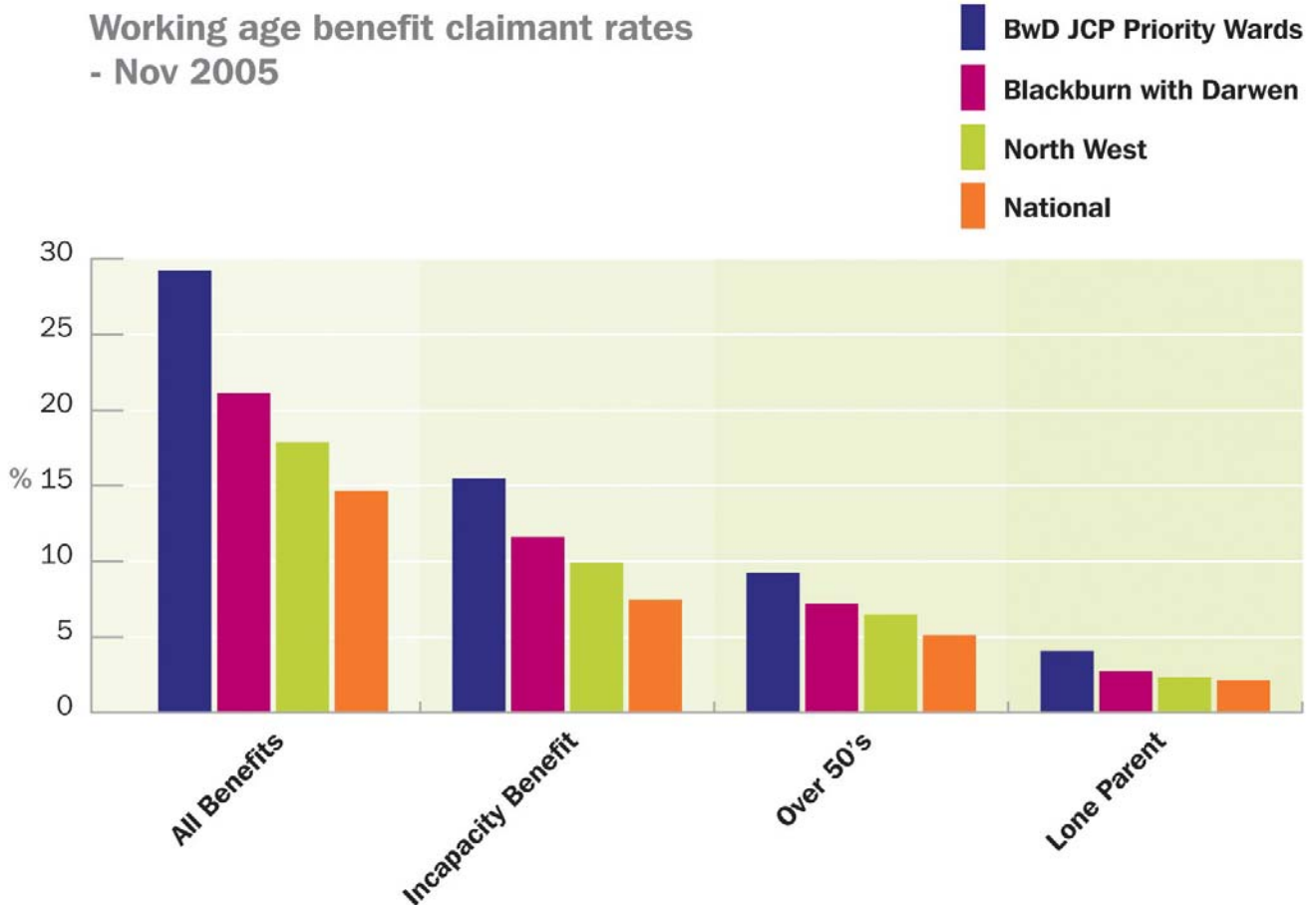
What are the key supply-side issues in your area? Which disadvantaged groups will your consortium therefore focus on?

The Blackburn with Darwen consortium will predominantly focus on the three groups identified in the welfare reform Green Paper: **Incapacity benefit claimants, lone parents and older people**. Assisting these disadvantaged groups into work is clearly fundamental to improving employment rates. Our diverse **ethnic minority community** cross-cut these groups and understanding their barriers will provide an additional challenge. Indeed **22.1% of all residents are from non-white ethnic groups**; these are mostly people with Asian backgrounds: Indians (10.7%) and Pakistanis (8.7%). **Within JCP Priority Wards almost 44% of the population are from non-white ethnic groups**. Further 57% of the borough’s Asian population live within 3 wards, Audley, Bastwell and Shear Brow.

Working age benefit claimant data now available from the **DWP Information Directorate**

enables us to segment our target market down to Ward and Lower Super Output Area level. Using robust data sources to inform the consortium decision making process will ensure mainstream resources and interventions focus on those areas and groups most in need.

Analysis of this data shows Blackburn with Darwen, particularly the priority wards, significantly under performing against regional and national rates.



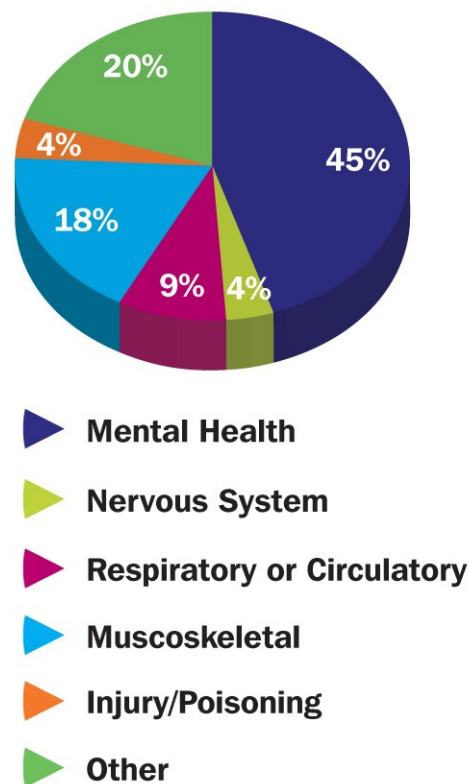
These groups face a raft of **different and complex barriers** to employment. For example **older people** may have worked in traditional industries, and as such, have lower levels of formal qualifications and outdated skills, others may have health problems. A lack of flexible working opportunities exacerbate the problem with individuals feeling forced to work 'full-time' or not at all – which can be reinforced by out dated employer attitudes towards them.

Census 2001 data suggests that there are **4651 lone parent households with dependent children, and that 4244 of these are female. Of these just 1083 are in part-time employment and 846 full time** - this is reflected in female employment rates. In the Borough these stand at 62.8%, compared to 69.6% nationally and 68.7% regionally. This gap is significant and represents a serious under performance in the local labour market. The difference in male employment rates aren't nearly as acute, with 76.3% of working age males in employment compared to 76.4% regionally and 79.5% nationally. Furthermore the percentage of females in employment that are working part time is below regional and national levels,

38.3%, compared to 40.2% and 41.7% respectively. **It can be inferred from this data that the link between children services and employment support must be strengthened and resources exploited more effectively.**

When considering **IB claimants** against the backdrop of the local labour market, it may be assumed that most claimants would be suffering from 'old industry' related complaints. Although this may be true in some cases data shows that **within BwD JCP Priority Wards almost 45% (2080) of people have a mental health condition that prevents work**, with muscoskeletal accounting for 18% (845), as illustrated below:

Incapacity Benefit/Severe Disablement Allowance – BwD JCP Priority Wards - Nov 2005



It's important that misconceptions about the composition of IB/SDA claimants don't lead to resources being deflected away from addressing important issues, such as Mental Health. Using DWP data and working closely with JCP Pathways to Work team, the Consortium should seek to shape existing services and commission new initiatives to address gaps in provision.

As outlined above our **Ethnic Minority** communities seriously under perform in the local labour market. A recent research report for the DWP, titled: '*Ethnic Minority populations and the labour market: an analysis of the 1991 and 2001 Census*', identified neighbourhoods where a large 'populations' display a lower than expected economic activity rate. **'Blackburn East' was rated as the most 'extreme' in the country.** Understanding the cultural complexities and religious sensitivities within the borough at neighbourhood level will enable effective solutions to be

found.

It has become apparent from consultations with partner agencies that the groups identified here experience a multitude of barriers relating to skills, lifestyle, culture and opportunities. As such a 'one size fits all solution' would be inappropriate, the key to addressing these barriers is an **accessible** and **flexible** programme, where the full weight of public resource is shaped towards those that need it most.

Employer perceptions of our target groups are a barrier that underpins all supply side issues outlined above. A re-occurring frustration felt by partner agencies is that as clients reach 'jobs ready status' employers are still reluctant to give them a chance. Indeed this observation is supported by a recent East Lancashire Business Survey carried out to gauge employer perceptions of workless residents. The survey found that just **6.7% of businesses within the 10% most deprived wards would consider employing someone claiming IB, only 10% would employ someone with a criminal conviction, 11.7% if registered disabled, 20% for those that haven't worked recently due to maternity/family commitments and 30% would employ an 'unemployed' resident.**

The survey also tried to assess the experiences of those that had employed from among these groups, perversely very few responses stated they were 'unhappy' with an individual's performance. Changing employer mindsets towards these groups is fundamental to addressing worklessness in the borough. High benefit rates are prevalent in our most deprived communities, yet businesses within these communities appear reluctant to employ from this pool. **Strong employer representation on the Consortium will be important - employers must be persuaded to utilise this untapped potential – both for the benefit of their organisation and the economy as a whole.**

There is cause for optimism however the Annual Population Survey suggests that there are 5,100 people out of the 21,400 considered economically inactive in the borough that 'want a job'. Further almost 100 businesses have signed to the Blackburn with Darwen Employment Charter - buying into the ideals of positive action for employment.

What organisations – including public sector bodies, employers and, where appropriate, private and voluntary sector organisations – will come together to form your consortium?

An enthusiastic response has been received by all partners contacted as part of the consultation process that has informed this Expression of Interest. This has enabled us to provisionally draw up two groups that will be embedded within the LSP structure tasked with addressing worklessness and delivering the new model suggested here. To ensure no potential conflict of interest amongst providers the Consortium will take a strategic role and will be an enhancement of the existing Strategic Employment Group. An Operational Employment Group will be formed to implement the day-to-day delivery of the pathfinder.

The consortium has already gained strong commitment from the following stakeholders at senior level:

- Jobcentre Plus
- Learning Skills Council

- Connexions
- Public Service Board – an integral part of the local LSP structure, which has a direct responsibility for progressing transformational change across public sector boundaries.
- Private Sector – Chair of the HR Employers Forum
- Employers Forums Manager
- Chamber of Commerce
- Private Sector SME
- Community Network
- Voluntary Sector
- Blackburn with Darwen Council Member
- Blackburn with Darwen Borough Council Economic Regeneration (and Lifelong Learning) Department
- Blackburn with Darwen Borough Council Integrated Children Services – Early Years Excellence.

The Operational Employment Group will encompass delivery level representatives of the above organisations in addition to contracted job brokers, RSLs and training organisations. Elevate, the Housing Market Renewal Programme will also be represented.

It should be noted that the vibrant community and voluntary sector in the borough has enabled us to take into account the views of local people and service users.

Furthermore five Area Agency Partnerships (AAP's) are soon to be established that will provide the pathfinder an additional direct link to our most deprived communities. These are carefully selected individuals and agencies who can have a real impact in improving neighbourhoods - the aim is to drill down the local area outcomes of the LAA into neighbourhoods and also ensure these areas benefit from the multi agency support that is available. This new initiative will embed targets into the neighbourhoods and develop ownership of the worklessness agenda.

A particular strength of this consortium which differentiates it from previous employment groups is the representation of employers. Indeed over 26,000 employees, some 37% of employment in the borough are represented through the Public Service Board and Employers Forum, with over 300 businesses represented via the forums as a whole. This is unprecedented and will provide the basis for real engagement with opportunity providers.

How will your consortium integrate the efforts of all partners behind chosen priorities? What will change as a result?

What will be different under the consortium?

The Consortium is truly committed to changing the way employment and skills support is planned and delivered in the borough. The **Blackburn with Darwen Employment Progression Model (EPM)** will provide the delivery model for all agencies of the consortium. The new consortium will agree on shared priorities informed by a strong

evidence base and views of local people and will have the power to use the multi agency resource at its disposal flexibly, and where it is most needed. It should be highlighted that the new model goes much further by deepening existing partnership work fostered through the Community Plan and Local Area Agreement. It is both **innovative** and **ambitious**, and represents a step change in how public services are delivered in the borough. Furthermore it is testing the premise that through tackling worklessness, positive effects can be felt across all LAA priorities. For example, an original approach will be taken to working with families - considering the family unit as a whole, as opposed to an isolated member; bringing together services aimed at young people and those aimed at adults, such as Connexions and next step services – IAG for all – to raise aspirations of the whole family which would then cascade into the community.

What relationships will change?

The Consortium will not only break down barriers between partner organisations but importantly between them and the major employers in the borough. Flexibilities will be employed across agencies to foster true partnership working. **Put simply there will be 'one' employment service for the people and employers of Blackburn with Darwen.** This **radical approach** will require a change in culture across organisations – **the Consortium will challenge agencies to affect this change.** Agencies will be united under a common brand reducing client confusion and underlining their commitment to a new way of working. The consultation process behind this EOI has given cause for optimism – as has the work that underpinned the Local Area Agreement.

Perhaps the **most significant change is the commitment of employers** – the consortium will work with the Public Service Board to ring fence opportunities for our disadvantaged residents. Through dialogue with the private sector we will ensure 'positive action' for those most in need – cemented with Employer Agreements and an improved offer to employers - we are confident private sector involvement will become an integral part of our successful pathfinder - building on a solid base of almost 100 businesses signed to the local Employment Charter.

Furthermore, the agencies of the consortium will be responsive to the sectoral changes of the private sector – specific employment related training provision developed with employers will be an important tenet of the EPM.

How different funding streams would be affected?

The Consortium at the first instance will align funding and resources behind the EPM. A mapping of local resource and provision carried out to inform this EOI highlighted the sheer scale and variety of employment related support in the Borough. Indeed **it is estimated more than £15 million of public sector investment related to skills and employment is spent annually in the borough** (excluding JCP core mainstream funding). The Elevate Programme is one such initiative, the Housing Market Renewal programme represents a major intervention, with £27 million expected to be spent in the next two years. Integrating Elevate's Constructing the Future Project into the consortium will enhance opportunities for residents of deprived communities in

obtaining employment in construction and related jobs.

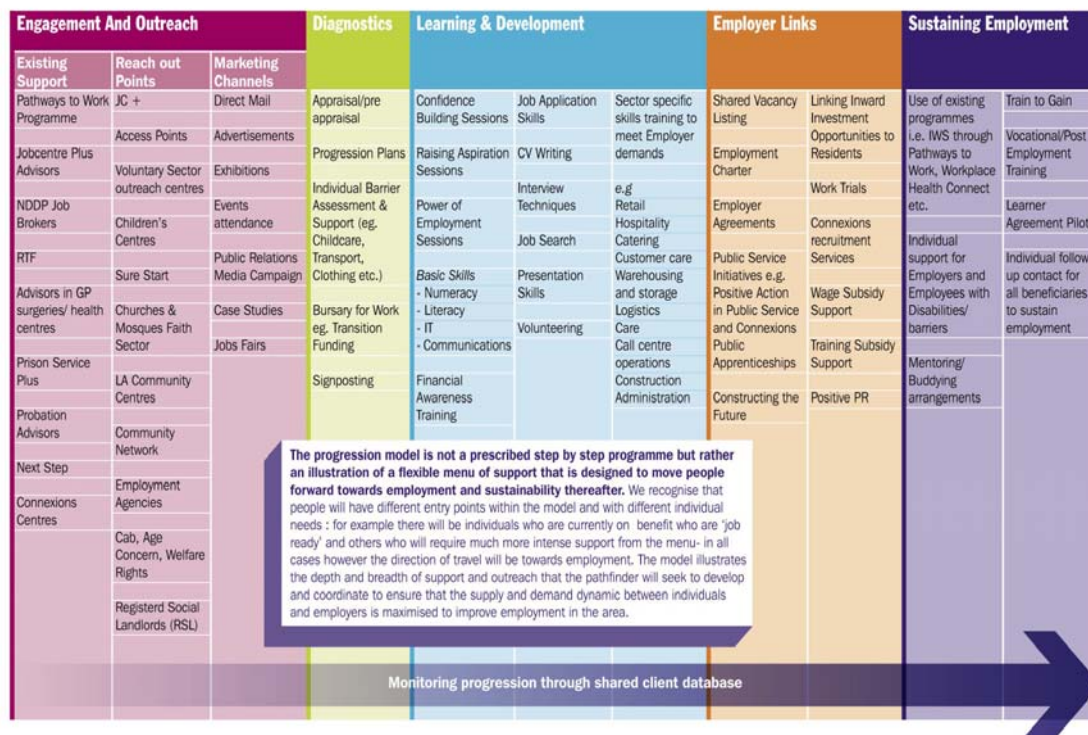
The Consortium will have the strategic authority to inform Jobcentre Plus and LSC Co-financing prospectus, this will extend to regeneration funding streams, particularly Neighbourhood Renewal Funding. It is envisaged that the consortium will commission and procure the service required for the EPM. Mainstream funding of all agencies will be informed by a Strategic Investment Plan developed by the consortium – with the ultimate aim of pooling agency resource.

What will change in terms of delivery?

The Blackburn with Darwen pathfinder can be considered on two levels – strategically, the Consortium will drive forward the agenda aligning resource against common priorities and targets. However, it is at delivery level that the EPM will be implemented on a day-to-day basis, and it is at this level that the coordination of services must be seamless. Embryonic plans have been developed with partners to ensure that this can happen – these can be summarised as follows:

- development of a model (below) for all partners to get behind which will be the basis for the programme, encapsulating the full offer designed to assist people through a stepped approach from worklessness to job attainment and helping them to sustain that employment. We see this as a flexible model to suit the individual needs.

Blackburn with Darwen Employment Progression Model (EPM)



- the progression model is not a prescribed step by step programme but rather

an illustration of a flexible menu of support that is designed to move people forward towards employment and sustainability thereafter. We recognise that people will have different entry points within the model and with different individual needs : for example there will be individuals who are currently on benefit who are 'job ready' and others who will require much more intense support from the menu- in all cases however the direction of travel will be towards employment. The model illustrates the depth and breadth of support and outreach that the pathfinder will seek to develop and coordinate to ensure that the supply and demand dynamic between individuals and employers is maximised to improve employment in the area.

- 'coordination' of the total offer currently in the market and maximising all public, private and voluntary outlets (Children's Centres, Access Points, Agency Outlets, Community Centres etc...) where employment support can be provided and ensure people at the sharp end are employment focused, trained and where appropriate accredited.
- the development and utilisation of a common interactive database to track client progression along the route to employment across agencies and council departments. Including post employment details to track sustainability.
- development of a web based "opportunity" service for partners where provision is mapped. In addition this facilitates referrals electronically across partner agencies.
- aligning supply side skills to employer needs.
- real emphasis will be given to improving job sustainability. The 'churn' of low skilled workers from unemployment to a low-skilled job (lacking learning and development) to unemployment to another low skilled job etc., must be tackled to impact on employability and aspiration levels. This issue is a particular concern in the area, due to the significance of the manufacturing sector and related low skilled (temporary) jobs. The Learning Agreement Pilot recognises this churn in young people (aged 16-17) – and the importance of learning and development and advocacy with the employer, to both improve retention and contributions, but to also improve future employability and aspiration levels. An *innovative model of delivery* will be developed which will translate a number of these lessons to adults in the priority groups, which will compliment Train2Gain and other employer programmes.

How this will all drive improved performance?

It has become clear throughout this process that if the 'critical mass' of resource and activity evident in the Borough can be channelled effectively, we can and should make a real impact on performance levels. Such is our confidence and determination we have set ambitious stretched targets against which the success of this pathfinder can be measured.

Do national policies or practices throw up any barriers to partnership working or efficient delivery at local level? For each barrier please state:

- **the precise nature of the problem**
 - **how you would like to see this overcome**
- how, and how much, performance would improve as a result**

Barrier 1

In order to maximise the performance of the Consortium, particularly at operational level, access to Jobcentre Plus LMS system across partner agencies would assist the facilitation of client referral and tracking. It should be noted that access would only be required at a 'low level' to document client progress along the EPM. If DWP could authorise this access it would greatly support the process. However the affect of this barrier could be mitigated through :

- 1) development of the existing IAG database used by Connexions and the Council's Lifelong Learning Team.
- 2) seconding Consortium employees to work within JCP to ensure Data Protection regulations aren't breeched.
- 3) build upon the innovative web base pilot system (ELPHIN) designed by the University of Central Lancs, used by the NHS and Jobcentre Plus to track progress through the Pathways to Work initiative.

Barrier 2

In order to monitor the success of the pathfinder it would be useful to have the Jobcentre Plus district level job entry points total disaggregated down to ward level, or at the very least, Borough level. This would provide important data regarding the flow of residents into employment. It is our understanding that the new collection system would not provide this information.

If this data cannot be made available we will use reduction in stock data available from DWP information directorate as a proxy for this measure.

What will your consortium achieve for its target groups, over and above existing targets? Please briefly explain how you have arrived at these targets. Who will be accountable for their achievement?

The Consortium and its member agencies will take overall accountability for the achievement of the targets. During the developmental first year (07-08) our, already stretched, LAA worklessness target will increase by 5%. However, we will seek to stretch performance by 10% in 2008/9 and 15% In 2009/10. **Equating to over 3800 job entries.** The target impacts on our disadvantaged groups and its achievement is vital to improving the overall borough Employment Rate. Although ambitious this stretch has been agreed with Jobcentre Plus and other partner agencies. It should be noted that these stretches also mitigate the loss of the local Action for Jobs Team, which contribute over 600 job entries annually. In developing a Consortium Strategy, consideration will be given to devolving responsibility to 'deliverers' to ensure each agency is clear of their role in contributing to the LAA worklessness indicator and the employment floor target.

Please outline a robust system for tracking performance against your consortium's targets.

A strong evidence base with a robust tracking and evaluation system is central to the Consortium achieving real change in the Borough. As outlined previously the

EPM will be underpinned by a client database that will provide information on all workless people engaged in the model. This will enable us to assess distance travelled by individuals, by target group. It will also allow us to consider if the programme is providing sustainable employment as opposed to 'quick wins'.

If flexibility is received around job entry figures down to ward level we can pinpoint employment flows in our priority wards. We will use working-age benefit data to assess reduction in stock at Lower Super Output Area level – aiming to contribute proportionally to the 2.3 million benefit reduction highlighted in the Green Paper. We will continue to monitor the employment floor target and ultimately success will be judged against the ambitious stretch in our LAA worklessness target outlined above.

An important tool in developing initiatives for the consortium is having the sophisticated intelligence on client group progression from benefits into **sustainable** employment. It is intended that sample cohorts of target groups will be selected and tracked over a set time period producing quantitative and qualitative information to inform policy and interventions going forward.

All this information will be reported through the Local Authority Performance Plus System in line with other LAA, CPA and Best Value Indicators and targets.

What will be the impact of your proposal on the wider LAA (or LAAs) - or equivalent - and other existing employment and skills strategies or initiatives?

The new Consortium will be tasked with the responsibility of embedding the LAA worklessness cross cutting theme into all LSP sub-groups. We recognise the importance of addressing worklessness as a catalyst to reducing crime, improving health, fostering community cohesion and assisting families out of poverty – particularly contributing to the Every Child Matters agenda. It must be an ambition of the pathfinder to place employment at the heart of regenerating the area and improving quality of life for local residents.

The Consortium 'Strategy and Investment Plan' will replace the existing Strategic Employment Group Strategy. It will seek to address the weaknesses identified in the Blackburn with Darwen – Single Economic Framework 2005-2009 :

- Low economic activity rates & low household income.
- Lack of higher skilled workers and too many unskilled workers.

Meeting the Economic Inclusion and Skill level challenges identified in the Framework head on.

Further it will assist the LSP Skills for Life Strategy in meeting its aims around developing the existing workforce and addressing worklessness. It will also inform the five neighbourhood area action plans that are to be developed.

It is the intention that existing regeneration initiatives will be shaped to align with the priorities identified in the Consortium Strategy.

Tackling worklessness is an essential element of the Northern Way Growth Strategy - 40% of the GVA gap is attributable to lower economic activity rates in the North. Blackburn with Darwen is part of the Central Lancs City Region and collaborates with other areas in Lancashire to maximise the number of additional people brought in the labour market.

The new strategy will support the North West Regional Skills Partnership – Priorities for Action and the Regional Economic Strategy People and Job Actions (see Appendix C). The Lancashire Economic Strategy (LES) is the main delivery vehicle of the RES in Lancashire. A City Strategies pathfinder would contribute to the LES objective: to grow the size of the workforce in employment across Lancashire. The Housing Market Renewal Pathfinder, Elevate, as highlighted earlier will complement and benefit from a strong Employment Consortium.

How will governance arrangements need to change to accommodate and support new ways of working under your consortium? How will this fit with and relate to existing regional or local structures?

The Consortium will become the ‘employment arm’ of the LSP, reporting directly to the Economic Regeneration Partnership Board. It will be responsible for the worklessness cross cutting theme of the LAA. Blackburn with Darwen Borough Council would act as the accountable body.

