

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:

Heads of the Valleys Area

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

The Heads of the Valley Strategic Partnership, a consortium of public, private and voluntary organisations, propose to deliver the City Strategy across the Heads of the Valley Area. The area, as defined by the Welsh Assembly Governments Spatial Plan, is one of the most deprived in Wales and priority area for regeneration. Building on public consultation the Welsh Assembly Government has recently launched '**Turning Heads' A Strategy for the Heads of the Valley 2020**'. The strategy aims to breath life into a vibrant and new regeneration partnership to create an increasingly prosperous and competitive community. At the heart of the strategy is the need to increase economic activity levels as defined within its strategic goal of creating a vibrant and prosperous economic landscape offering new opportunities. In common with the City Strategy, it aims to deliver its strategic intent through close partnership working with key stakeholders and the underlying premise that local stakeholders can deliver more if they combine their efforts behind shared priorities.

The percentage of people of working age in employment is 64.3% with an unemployment rate of 7%. For generations the level of worklessness in the area has been well above the Wales and UK average, whilst other indices of deprivation rank amongst the worst in Wales – particularly health, education and child poverty. The area to be covered is shown in the attached map in Appendix 1, whilst a list of wards contained in the specified area is attached at Appendix 2.

On successful completion of the pilot, the approach will be rolled out to cover the remaining areas within Torfaen, Caerphilly and Rhondda Cynon Taff County Borough Council's.

It is our intention to optimise the opportunities afforded by both *Turning Heads* and the City Strategy to align local efforts to ensure a better co-ordinated approach to reducing levels of economic inactivity by a tailored programme of support and advice, such as that offered through JobMatch, addressing individual's needs and enveloping mainstream support such as Pathways to Work being rolled out across the area.

A copy of the 'Turning Heads- A Strategy for the Heads of the Valleys 2020' can be provided if required. This strategy sets out a number of strategic programmes, one of which is SP4 – Directly Linking People with Work. This SP advocates a tailored programme of support and advice, such as that offered through JobMatch, addressing individuals' needs and enveloping mainstream support such as Pathways to Work being rolled out across the area. A strategic programme manager has been appointed to steer the direction of this SP. This manager also has responsibility for steering the Consortium.

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

Economic inactivity and deprivation are more prevalent within the Heads of the Valley than in other parts of Wales. The decline of traditional industries resulted in decades of economic stagnation. The effective use of Structural Fund Programmes over the past 6 to 8 years have helped to boost economic recovery and the overall employment rate, but unemployment rates remain above the Welsh average and economic inactivity is at an unacceptable level with some of the highest rates in the UK.

To convert the present economic deficit into an economic dividend the consortium acknowledges the need to accelerate the increase in skills and qualifications of people who are economically inactive to the specific job opportunities available within the labour market, both current and future.

The consortium has identified the following growth sectors within the labour market and in conjunction with the Sector Skill Councils; the appropriate skills training needed to drive up activity levels. The labour market and skills demand is:

- **Construction**, 30,000 additional jobs will be required across Wales over the next 5 years particularly through the requirements of meeting the Wales Housing Quality Standard. These include generic skills, wood trades, project management and health and safety.
- **Health and Social Care** are experiencing 5% churn coupled with the growth in demand of 1.8%. Across the Heads of the Valleys 300 new entrants per annum are required into the sector. The aging population and the requirement to re-skill the workforce by 2010 exacerbate this. Between 20 and 25% of the Healthcare workforce in Wales is currently at entry level.
- **Public Sector** is expecting between 30 and 45 % of its workforce to retire within 15 years. The public sector suffers from poor image in terms of career choices for young people. 90% of all local authorities have long-

term recruitment needs for social workers and occupational therapists. There are two aspects to this, as we want to enable access to entry-level jobs but also to work with the public sector to encourage the use of social clauses in developer agreements to encourage the private sector to train and recruit locally. This links closely with construction above.

- **Energy sector.** EU Skills have estimated that 9% growth is to take place within the sector over the next 5 years in the UK. Coupled with around 9% turnover per annum, this represents a significant opportunity for employment. In a recent EU Skills paper the SSC also recognises that approximately 25% of experienced & senior staff are due to retire in the electricity industry over the next 5 years. This means that the industry will experience a significant shortage of technical expertise just as the industry is about to manage a massive programme of refurbishment, most of it in the transmission & distribution networks. In addition, the Consortium has recognised an upsurge in the number of companies interested in the energy and linked sectors around renewables. In addition, there is a push through the Heads of the Valleys Strategy to encourage, through local procurement initiatives, the use of energy efficient products in new build programmes. These factors will encourage the development of supply chains, and associates employment growth in these sectors.
- **Tourism, Hospitality and Leisure:** Across the UK, the tourism sector experiences churn of 30%, equating to 590,000 new jobs. *Turning Heads* – The strategy for the Heads of the Valleys 2020 actively promotes the tourism and leisure sectors as having a more significant role in the economic prosperity of the area. Across the region there is an upsurge in growth of this sector creating recruitment demands.

As part of the development of the Consortium delivery plan we will carry out detailed investigation into demands within these sectors. Clearly this investigation will take its steer from the appropriate Sector Skills Councils.

Activity of the Consortium will not focus exclusively on these sectors. Clients will be encouraged into the sector of their choice. There are also a number of generic skill sets required across all sectors. These include:

- Management
- Communications
- Problem solving
- Health and Safety
- Administration

In addition, the Consortium will focus on the job preparation of young people in relation to soft skills such as team-work, listening, communications and motivation as defined in Future Skills Wales.

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

The greatest challenge in the labour market over the next decade will be combination of rising demand for skills and the changing demographic profile of the Heads of the Valley. The large pool of economically inactive people and the growth in the areas working age population are a potential economic asset not only for the Heads of the Valleys, but for the whole region.

In line with the aspirations of the City Strategy, we intend to move the average employment rate for the Heads of the Valleys area by an equivalent rate to that experienced elsewhere in the UK. Across the UK the employment rate stands at 75%. In Wales this is 72 % and across the Heads of the Valleys 64.3%. DWP's aspiration of 80% employment equates to an average increase of 5% across the UK. In Wales this would require a shift to 77% employment and across the Heads of the Valleys, a shift to 70% employment. We estimate the need to help an additional 2,500 (net) people into work across the Heads of the Valleys during the life of the pilot to move towards achieving the target of 70% of people of working age in employment. To achieve this overall employment rate we acknowledge the need to help more people on incapacity benefits to be supported into work, more lone parents to enhance their financial independence through work, more young people to maximise their employment potential through skills development and for older people to be re-skilled and re-energised to find work.

Addressing skills barriers within the area is of significant importance with nearly one quarter of the population having no qualifications and only 41% of 15 year olds achieving 5 GCSE's at A*-C grades compared to a Welsh average of 52%.

Programmes that group people by their perceived barrier reinforce the confusion that exists within an already complicated system and may result in the actual barrier not being removed. Someone receiving Incapacity Benefit may find that their childcare issues are a greater barrier to work than their health condition. Similarly not every Lone Parent has a childcare barrier, it may be skills. We believe that delivery solutions should address the issues faced by an individual, not the perceived issue of a particular group. We would therefore seek to deliver improvement in the overall economic activity rate through an area based approach where no individual or group is excluded or disadvantaged in the labour market and where we seek to focus on specific locations that contain concentration of worklessness.

Our aim is simple, to increase the employment rate, at the same time as reducing the gap between employment rates for disadvantaged groups and the average. By the very nature of the areas in which we propose to work, the key disadvantaged groups identified in the City Strategy - benefit claimants, lone parents, older people and young people - would form a substantial number of the people engaged and helped to find and sustain work.

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

form your consortium?

The City Strategy will be delivered through close partnership working with key stakeholders within the public, private and voluntary sectors. Working under the auspices of the Heads of the Valley Strategic Partnership, the organisations involved will include:

- Welsh Assembly Government (Departments of Education, Lifelong Learning and Skills; Enterprise, Innovation and Networks)
- Jobcentre Plus
- Blaenau Gwent CBC
- Torfaen CBC
- Merthyr Tydfil CBC
- Rhondda-Cynon-Taff CBC
- Caerphilly CBC
- Working Links
- Voluntary Action Merthyr Tydfil (VAMT)
- Gwent Association of Voluntary Organisations
- Communities First
- Careers Wales
- Countryside Council Wales
- Sector Skills Councils
- Voice of Industry (Heads of the Valley Manufacturing Consortia)
- Caerphilly Business Forum
- Merthyr Business Forum

All these organisations have given their verbal support for the project. Some have provided letters of support, appended to this bid. In the above listing, Local Authorities and other public sector partners should be viewed as employers and delivery agents influencing local procurement processes. In this way, agreement can be sought around social clauses and supply chain developments, both of which have clear links to private employers and jobs for local people, particularly in the construction sector.

The partnership brings together a range of expertise which includes the following:

- Public and private sector expertise in developing and operating programmes under the Welfare to Work Banner
- Broad experience of the client groups
- Understanding of public and private sector procurement issues
- A range of employers in the public, private and voluntary sectors
- Policy advice and guidance
- Links to community and voluntary organisations for engagement purposes
- Links to policy bodies in the education and skills area
- Access to the widest possible range of existing and new funding for delivery purposes
- Clear governance structures (see governance later)

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

The Consortium accepts that improvement to the employment rate can only be

achieved through closer partnership working. Such commitment will culminate in the alignment of effort and resources, combined with an innovative approach to the delivery of existing services for skills and employment. These factors are essential if we are to raise the employment rate to 70%.

Whilst the partnership recognise the need for change, many of the partners have proved to be great exponents of developing and delivering successful employment programmes and overcoming barriers to work through innovative solutions. We will build on this strength.

Partners in the Heads of the Valleys Area have developed two innovative projects. Both are closely linked to the needs of their communities, engaging via skilled outreach teams.

In Blaenau Gwent we have developed **JobMatch**, a unique community led project delivered through a partnership between Working Links, Blaenau Gwent County Borough Council, Careers Wales, Jobcentre Plus and a number of key relationships with local employers. JobMatch was set up in January 2004 to address the problem of social and economic exclusion in one of the most deprived communities in Wales with the specific aims of:

- Reducing levels of economic inactivity in some of the most deprived neighbourhoods;
- Building bridges between employers and economically inactive people to improve access to jobs and address employer recruitment needs;
- Engage people in life long learning to improve self efficiency and personal resilience;
- Provide transitional waged work opportunities for people at greatest distance from the labour market;
- Providing in work support based on the principles of retention and advancement with targeted support lasting 12 months to enable people to progress to higher paid jobs to overcome the transient cycle of poverty and low paid jobs.

Since January 2004 JobMatch has helped over 1,000 economically inactive and disadvantaged people back to work, achieving a sustainability rate of 71% at 12 months in work.

It is our aim to roll out this very successful ESF Objective One project across the Heads of the Valley Area in 2007 as part of the City Strategy.

In Merthyr Tydfil we have developed **Want2Work** - a collaboration between Jobcentre Plus and the Welsh Assembly Government. Like JobMatch, Want2Work was set up to address the high levels of worklessness in deprived urban areas which remains a major factor in child poverty and the cycle of deprivation.

- Access to health advice and guidance from a qualified health professional, specialising in mild to moderate mental health problems;
- Mentoring and advocacy support from a volunteer mentor and job coach;

- Individually tailored support programmes.
- Financial provision to help overcome barriers to participation, starting work, and sustaining employment; and
- In work development and support for the first 12 months of employment, thus enabling individuals to move away from entry level, low paid jobs.

Launched in May 2005, **Want2Work** has supported 410 economically inactive individuals find work.

The Consortium in its approach will adopt the positive elements of the Want2Work programme to bring together all elements of good practice. Effectively these are the links with Health Professionals.

During recent years partners have developed innovative solutions to the barriers that prevent people from getting and keeping work. These include:

- Car and loan schemes providing personal transport to work;
- Childcare centres operating as Social Enterprises;
- A Virtual Shop training people for opportunities in the growing retail sector;
- Sector routeways providing entry level training for the construction industry, health and social care and rail industry;

The City Strategy will support these initiatives with access provided throughout the area.

A range of mainstream employment programmes operates throughout the area. Most operate successfully, but we propose to build changes into their structure and delivery to further improve the effectiveness, whilst improvements to their efficiency will enable us to redirect partner resources to enhance the service provided to employers to improve job retention and advancement, (see below)

What will change as a result

We have already commented on our commitment to rollout JobMatch and solutions to address specific barriers to work across the Heads of the Valley. Changes will also be made in four main areas:

1. Employers

We will provide.....

- A single point of contact for recruitment within the area ensuring that all local stakeholders work in partnership, whilst still enabling the needs of each jobseeker to be met;
- A quick and responsive matching and recruitment service for employers, supported by a Service level Agreement establishing minimum standards;
- Regular quality reviews of the service offered to employer, supported by employer forums;
- Administrative and advisory support for employers as part of a new job retention, progression and rotation service;

- Integration of Work Place Health Connect with the aim of the City Strategy to ensure we support employers to manage health conditions and disability in the workplace and to provide effective occupational health and vocational rehabilitation support thereby reducing entry into economic inactivity;
- Encouragement to employers to provide on site childcare facilities.

It is anticipated that efficiency gains derived from a more co-ordinated approach to supporting employers will enable resources to be reinvested to support employers in the development of their workforce to improve job retention, progression and rotation.

2. Client Engagement

We will provide...

- Ward action plans which provide an integrated approach to client engagement through community outreach and which connect community-based programmes to mainstream provision. The approach to engagement will lead to the creation of a 'one stop shop' at the heart of local communities. We propose to develop this concept during the life of the pilot to include an holistic service providing support for health issues, securing employment, addressing housing issues, building skills and motivation, tackling social exclusion and helping people to understand benefit entitlement and managing their money;
- More effective use of voluntary and community partners to help people who are furthest from the labour market or who have special needs to prepare for work;
- A '*passport to service*' enabling family members of people participating in mandatory employment programmes to gain access e.g. Employment Zone;
- Eligibility conditions applied to different welfare to work programmes can cause confusion and exclude people. We would seek to develop a more inclusive approach to programme design.
- For people furthest from the labour market we would introduce 'life coaching' to help people plan for the future, assisting in skills such as positive thinking and personal goal setting.

3. Skills

We will provide...

- An integrated system for employment support and skills delivery to help more people into work.

4. Management

We will provide...

- Improved co-ordination and management of services to ensure partner organisations work effectively together and focus on priorities;
- More effective use of information, particularly that available through Jobcentre Plus' GIS tool, to better target support to areas of greatest need or to provide a

partnership approach in support of specific client groups.

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

It is important to stress that non-removal of these barriers would not prevent the programme from going ahead. They would however enhance coordination of processes and procedures. These flexibilities will provide clarity, transparency and ease of delivery for the partners. In the absence of these flexibilities, partners would need to explore potential solutions/alternatives within current legislation and policies.

Barrier 1 Currently client data at postcode level is only available to Jobcentre Plus in Wales. The Consortium wish to access this data in order to carry out target marketing to the hardest to reach clients, with greatest effect. Exercises carried out in Torfaen County Borough demonstrated that hard to reach clients are often accessing the highest level of public services (Social Services, Careers, Youth Offending Team; Torfaen Training; Housing). Post-code data from Jobcentre Plus would assist the Consortium in swift identification of target areas. Removal of this barrier would result in reduced unit costs. In addition, the impacts in terms of social inclusion would be very significant. The exercise above demonstrated that the right intervention for key individuals would reduce service delivery for a number of frontline public services. If key families were the target, the impact upon child poverty in the area would be marked.

Barrier 2 – Jobcentre Plus are able, under Section 2 of the Employment and Training Act 1973 to make non-taxable payments to customers in the form of return to work credits. These are currently available to Pathways and Want2Work clients. THE CONSORTIUM would wish to extend this provision across any clients who cannot currently benefit from this credit, i.e. non-Pathways and Want2Work clients and clients in the Torfaen area who are assisted by the partnership. We would also wish to extend this provision to incentive payments paid to clients when in employment. This would require legislative change to enable incentive payments and return to work credits to be disregarded in tax calculations in addition to the ability to delegate decision-making powers across the Consortium with respect to client eligibility. This would remove a barrier to clients wishing to undertake a ‘taster’ and afraid of losing their benefit. Removal of this barrier would result in reduced unit costs.

Barrier 3 – THE CONSORTIUM would like to see more flexibility in terms of clients being able to access a wider range of training without breaching benefits eligibility. If this flexibility were extended from New Deal to include Work Based Learning provision, this would enable achievements of a wider range of qualifications, and improved employability, through the removal of a financial barrier to participation. Removal of this barrier would result in reduced unit costs.

Barrier 4 – THE CONSORTIUM would wish to continue using New Deal funding

as a potential match for Convergence Fund purposes. Removal of this barrier would result in reduced unit costs.

Barrier 5 – we propose the following changes in relation to the priority client groups of lone parents and older workers.

Lone Parents:

- More immediate links between Jobcentre Plus Advisers and partner providers at the work focused interview;
- All lone parents are offered work related tasters without commitment;
- Extend the work related premium to 12 months to increase financial security to a point where lone parents gain sufficient financial independence and confidence;
- Incentivise childcare providers to give priority to single parents who have given a commitment to return to work;

Older Workers

- All people 50 years and over should have access to welfare to work programmes before reaching 6 months unemployment;
- The in work training grant should be available prior to starting work based on the commitments of the employer and employee;
- An in-work training grant and return to work credit should be available to all older workers who move from benefit to work and not just older workers who meet the New Deal 50 plus eligibility criteria.

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?

2,500 additional people in work (over 18 month period). In effect this would raise the employment rate from 64.3% to 66.5% (see longer term targets above). This includes those serviced by the added value elements of THE CONSORTIUM provision and those other providers whose performance has been increased through tweaking provision ensuring parity.

In terms of target clients this equates to the following:

- 225 lone parents
- 300 older people
- 300 young people
- 500 in receipt of IB
- The remainder would be made up of those on other benefits, in receipt of JSA or workless and in receipt of no benefit.

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

targets.

A benefits realisation plan will be developed that profiles the desired outcome and how it will be achieved. Effectively this will mean the following:

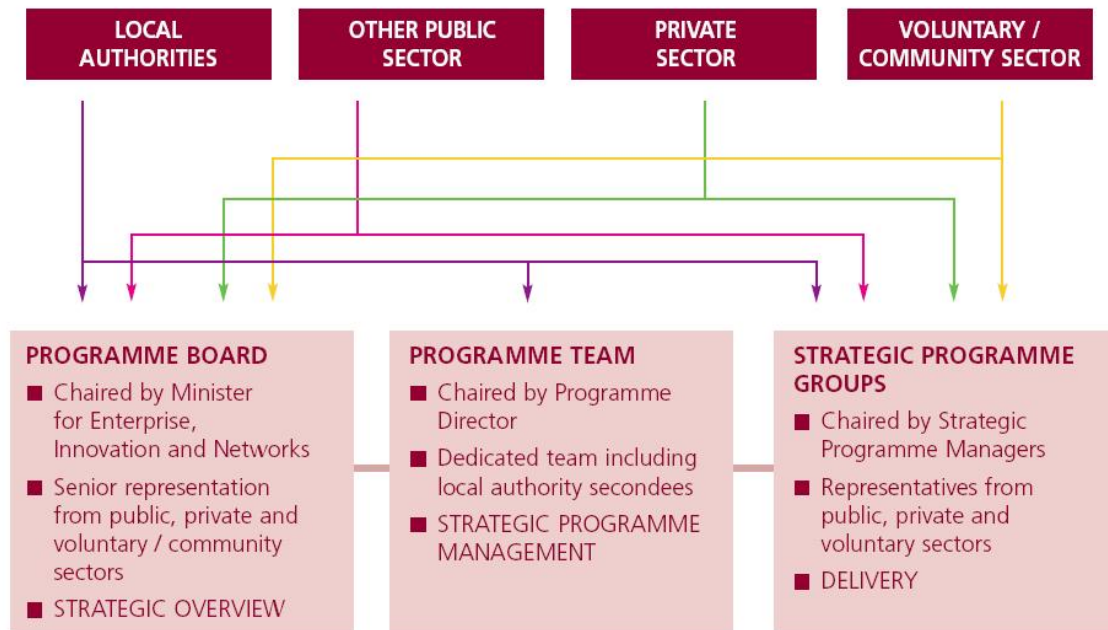
- KPI's and critical success factors set by Programme manager and reported to THE CONSORTIUM and the Heads of the Valleys Programme Executive and Board.
- Work packages for team members that set out their targets to achieve the team target.
- 6 monthly PRS for team members.
- Monthly performance meetings.
- Bi weekly partnership meetings.
- Daily monitoring via management information system (Adept).
- Extended administration rights to JobMatch for Adept system.
- Timely reports to sponsor organisations in line with their requirements.

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?

It is the intention of the Consortium to develop a LAA for Employment across the Heads of the Valleys area.

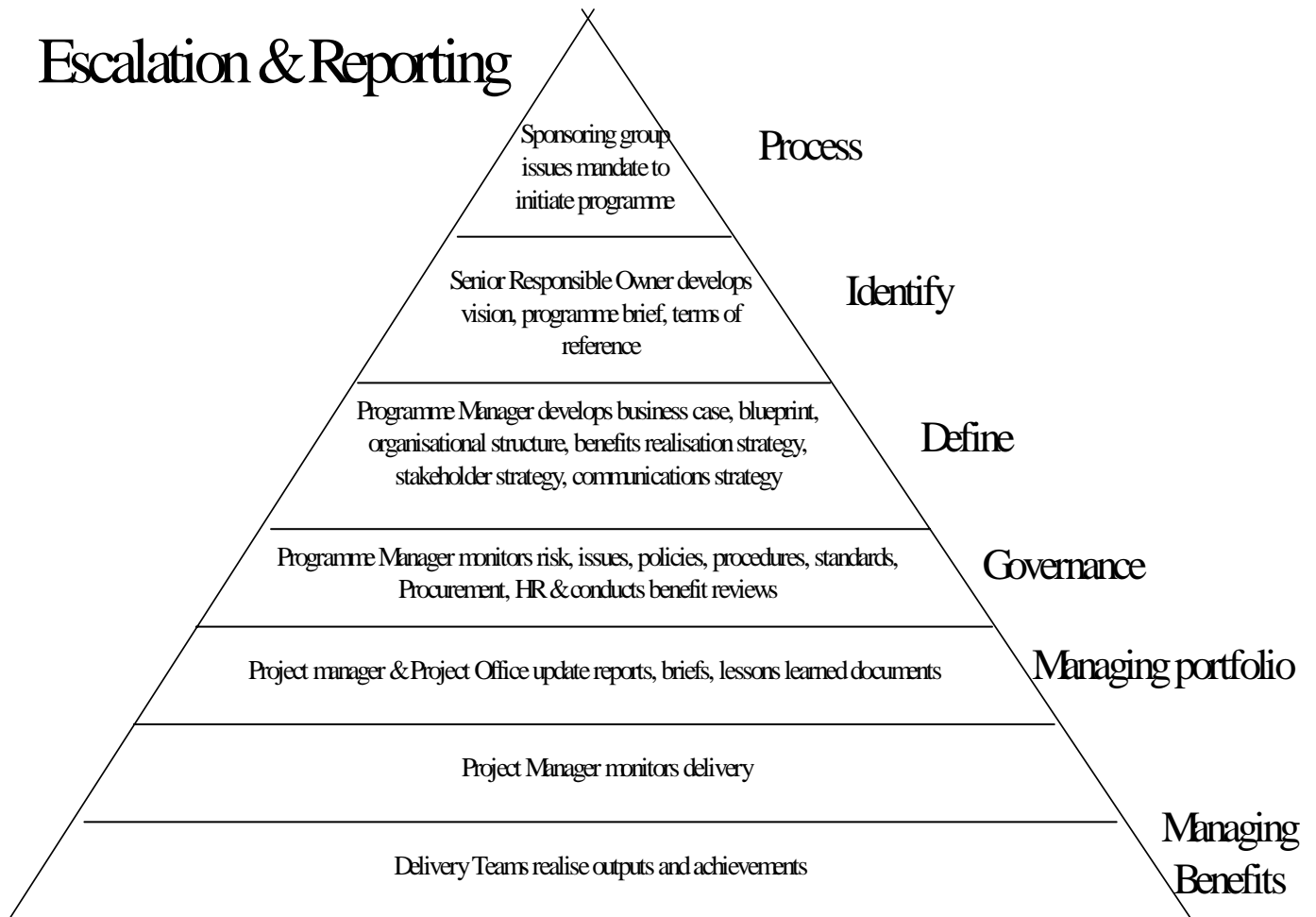
Prior to this, broad targets are set out in the Wales Spatial Plan and reinforced by the Heads of the Valleys Strategy. The HOV Strategy is to appoint a series of Strategic Programme Managers whose responsibility will be to develop and deliver targets and KPI's for their specific area (see tracking above).

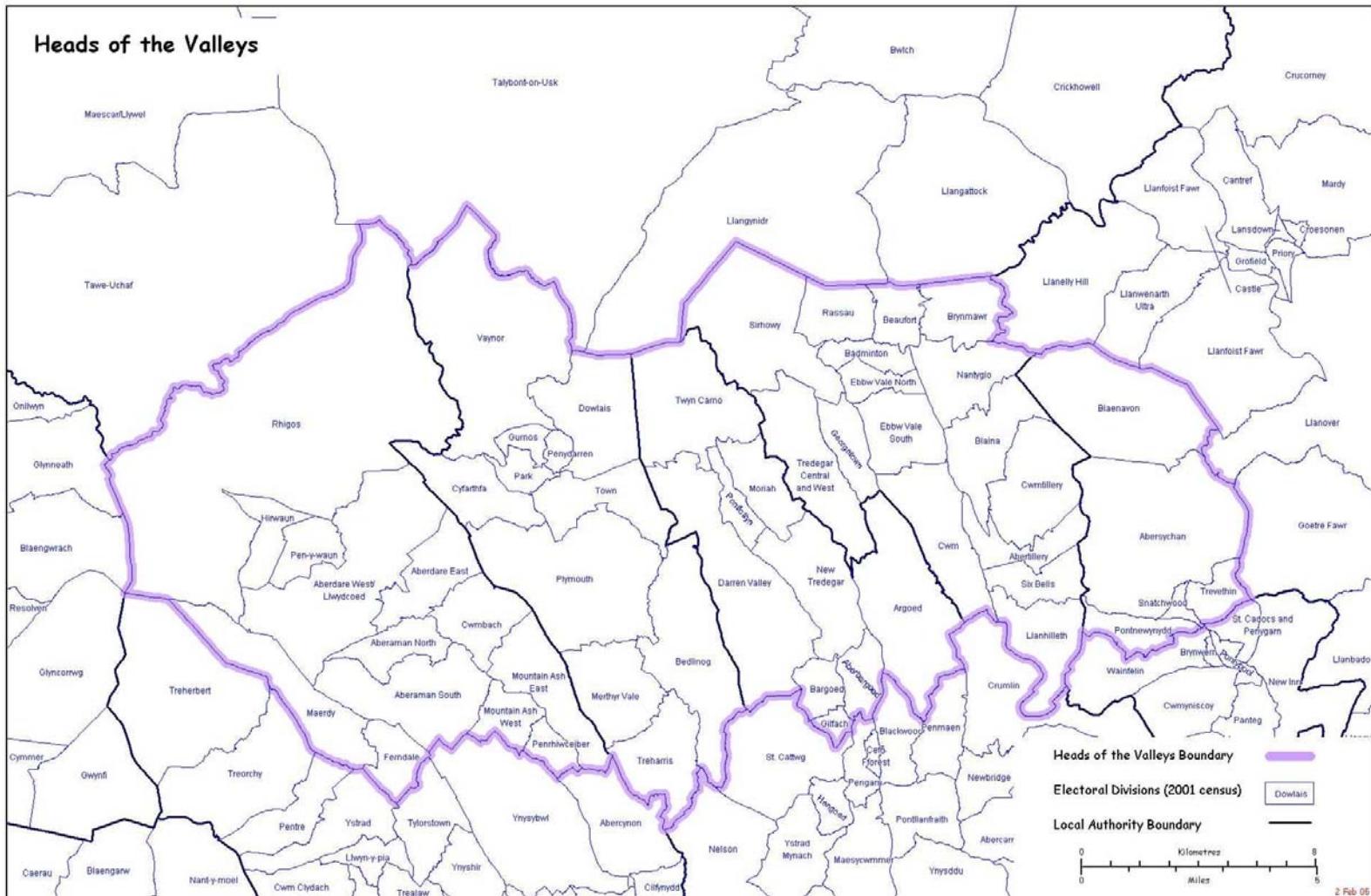
How will governance arrangements need to change to accommodate and support new ways of working under your consortium? How will this fit with and relate to existing regional or local structures?



The diagram above demonstrates how the HOV strategic programmes will be managed. The Strategic Programme manager will then develop and deliver the programme as set out in the diagram below. This is a new structure and one that is agreed as the delivery process for all programmes across the Heads of the Valleys. It is not possible to say at this stage how the process would need to change as clearly the approach has not yet been tested. Continual improvement would be part of the programme's delivery

Programme Structure





This map is based upon the Ordnance Survey material with the permission of Ordnance Survey on behalf of The Controller of Her Majesty's Stationery Office, © Crown copyright 2005. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. National Assembly for Wales. Licence Number: 100017916. Mae'r map hwn yn seiliedig ar ddeunydd yr Arolwg Ordnans gyda chaniatâd Arolwg Ordnans ar ran Rheolwr Llyfrfa El Masurhydi, © Hawffraint y Goron 2005. Mae atgynhyrchu heb ganiatâd yn torri hawffraint y Goron a gall hyn arwain at erlyniad neu achos zifil. Cynulliad Cenedlaethol Cymru. Rhif twrodded 100017916.

Produced by Cartographics, Statistical Directorate, National Assembly for Wales
Cynhyrwyd gan Cartograffeg, Y Gyfarwyddiaeth Ystadegol, Cynulliad Cenedlaethol Cymru

Appendix 1

Appendix 2

List of Wards Covered

Rhigos	Sirhowy *
Hirwaun *	Rassau *
Pen-Y-Waun *	Beaufort *
Aberdare West/Llwydcoed	Brynmaur *
Aberdare East	Badminton *
Cwmbach *	Ebbw Vale North *
Aberaman North *	Nantyglo *
Aberaman South *	Ebbw Vale South *
Maerdy *	Georgetown *
Ferndale *	Tredegarr Central *
Mountain Ash East *	Tredegarr West *
Mountain Ash West *	Blaina *
Penrhiwceiber *	Cwmtillery *
Vaynor	Cwm *
Dowlais *	Abertillery *
Gurnos *	Six Bells *
Penydarren *	Llanhilleth *
Park *	Blaenavon
Town *	Abersychan *
Cyfartha *	Trevethin *
Plymouth *	Snatchwood *
Bedlinog *	Pontnewynydd
Merthyr Vale *	
Treharris	
Twyn Carno *	
Moriah	
Pontlloftyn *	
Darren Valley	
New Tredegarr *	
Aberbargoed	
Bargoed *	
Gilfach *	
Argoed *	

N.B. Those marked * appear in the Deprived Area classification

