

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:

LEICESTER

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

A City Focus

We propose that the consortium operate on a city basis, but with particular emphasis on the most deprived Lower Super Output Areas. Leicester has high levels of social and economic deprivation with an economically inactive working age population of 28.8%, compared to a rate for England of 21.4% and for the East Midlands of 20.4%. Furthermore, Leicester's unemployment rate is 7.9% compared to the East Midlands rate of 4.9% and a UK average of 5.2%¹. The volatility of Leicester's employment rate over the period is also in contrast to a steady improvement in the national rate. Leicester's employment rate is less than 1% above the average for the 30 poorest initial labour markets in the country.

The position is significantly worse within those Lower Super Output Areas (LSOA) that are most deprived, and the assessment of performance towards the Neighbourhood Renewal Floor Targets in respect of worklessness indicates that the economic inactivity has been worsening in these areas. The 20 most deprived LSOA's together account for over 20% of the total number of benefit claimants within the city.

Our assessment indicates that there is a need to adopt further targeted interventions into those super output areas that have the most severe problems. In

¹ Unemployment Bulletin, May 2006, LeicesterShire Economic Partnership

particular, we recognise in our Neighbourhood Renewal Floor Target Action Plan, the need for stronger employer engagement and the introduction of improved mechanisms to engage with those communities and client groups with the highest levels of worklessness in order to match people from these communities to real job opportunities that exist and to meet employer needs.

The City of Leicester is characterised by low pay, low skills levels, and high concentrations of worklessness. However, it is a net importer of labour – drawing in higher wage earners from the county into the city. Local residents need to be provided with assistance to compete for jobs, and the skills gaps need to be addressed in order to attract businesses into those sectors of the economy that have been targeted for growth by the City Growth Strategy and within the Leicester Regeneration Company's Masterplan for the city. There is considerable public and private investment set to take place in the city, and this will create significant additional employment opportunities. Within the next 3 years, the development of a new Business Quarter in the city centre will, by itself create an additional 4,000 jobs, and this is one of many new developments that are being progressed in the city (see page 8 for more details). Harnessing this potential and bringing it to bear on the problem of worklessness in our most deprived areas is the key challenge for the consortium.

We therefore consider that a city focus is most appropriate for the consortium – although in doing so we are conscious of the need to take into account sub-regional developments and the increasing importance of the three cities agenda with Nottingham and Derby. These can have positive implications for local residents seeking employment – for example in relation to work opportunities at Nottingham East Midlands Airport. However, the main focus of the consortium will be placed on the need to engage with workless households within the most deprived areas of the city, and to progress these towards employment – based on the actual needs of businesses within the city and the real job opportunities that exist.

Targeting Interventions

There is a strong case for targeting the work of the consortium on those areas that are most deprived. In Leicester, there is a strong correlation between concentrations of worklessness and those Lower Super Output Areas (LSOAs) ranked in the top 5% overall most deprived and the top 5% most deprived LSOAs in the worklessness domain.

The wards that contain these LSOAs are:

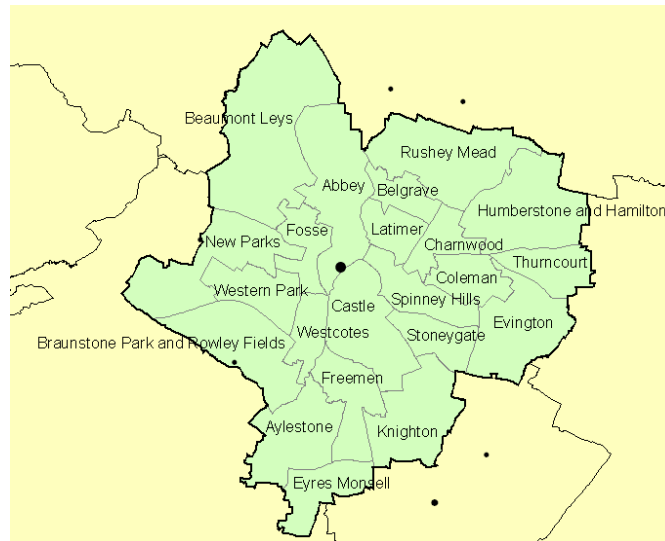
- Abbey
- Beaumont Leys
- Belgrave

² Of those economically inactive in the city, 20.9% are reported as not wanting a job in comparison with 16.2% for the region and 6.6% nationally (source: NOMIS, Annual population survey 2004-2005)

³ As at May 2006, 40.3% of Leicester's JSA claimants had been unemployed for more than 6 months compared with 35.6% nationally (source: DWP claimant count)

⁴ Labour Force Survey, 2003



- Braunstone Park and Rowley Fields
- Castle
- Charnwood
- Coleman
- Eyres Monsell
- Freeman
- Latimer
- New Parks
- Spinney Hills
- Stoneygate.

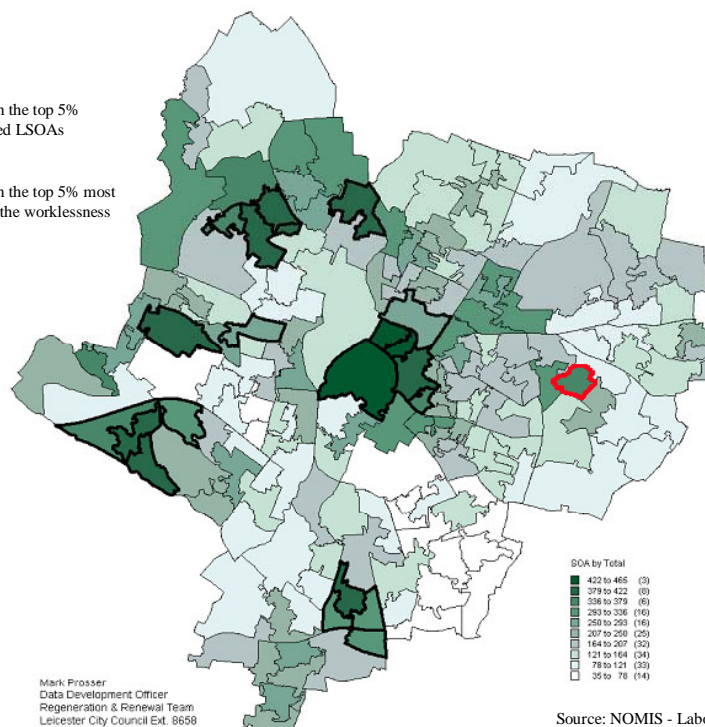


The following map highlights those LSOA's identified by the Index of Multiple Deprivation as the most overall deprived, and the most deprived in terms of worklessness. This brings in an additional LSOA in Evington ward (highlighted on the map).

Concentrations of worklessness and LSOAs ranked nationally in the top 5% overall most deprived; top 5% most deprived worklessness domain - Working Age Claimants August 2005

Key:

-  Ranked nationally in the top 5% overall most deprived LSOAs
-  Ranked nationally in the top 5% most deprived LSOAs in the worklessness domain



Mark Prosser
Data Development Officer
Regeneration & Renewal Team
Leicester City Council Ext. 8658

Source: NOMIS - Labour Force Survey

Working Age Claimants August 2005: Total Claimants

There is evidence that Leicester has a lower proportion of its population that wants to work in comparison with neighbouring authorities², and that we have a long term unemployment problem³ in some local areas, together with high claimant rates for

Incapacity Benefit (IB) with considerable local concentration in some areas of the city. Despite a recent improvement in the employment rate for lone parents, Leicester's rate remains 9% below the national average, and the number of lone parent claimants on Income Support has been virtually unchanged since 1999, indicating that employment is often low paid and part-time for this group. The table, below, provides details of the numbers of benefit claimants in the most deprived LSOA's in the city, and indicates that despite a general improvement in the employment rate for the city as a whole, these areas have seen a growth in benefit claimants over the period.

Benefit Claimant Totals in the 20 Most Deprived Leicester LSOA's (1999-2005)

	Job Seekers	Incapacity Benefit	IB + JSA	Lone Parents on IS	Total
Nov-99	1670	2625	4295	1700	5995
Nov-00	1670	2625	4295	1700	5995
Nov-01	1765	2775	4540	1675	6215
Nov-02	1690	2700	4390	1745	6135
Nov-03	1940	2705	4645	1780	6425
Nov-04	1700	2795	4495	1815	6310
Nov-05	1930	2745	4675	1770	6445

Despite some fluctuation over the past 6 years, the trend remains upwards, particularly in respect of Job Seekers Allowance and Incapacity Benefit claimants.

Leicester's average Job Seekers Allowance claim rate of 4% (7705 claimants) is double the national average and is a clear priority for improvement. However, analysis of LSOA data indicates that there are a number of local areas where the claimant rate is seven times the national average.

At a national level the claimant rate for Incapacity Benefit (IB) stands at 7.29%. Leicester appears relatively close to this as a city as a whole with an average claimant rate for IB of 8.73% (15,695 claimants). However, this disguises significant variations in the claimant rate at LSOA level. The city contains 24 LSOA's where the claimant rate is twice the national average.

Whilst there has been some success in addressing the Job Seekers Allowance claim rate in the Braunstone New Deal for Communities area (there has been a reduction in the unemployment rate in Braunstone from 8.2% to 5.8% in the past 5 years), this ward – together with Freemen – has a significantly higher level of lone parent claimants.

As a result, there needs to be a programme of engagement in the worst affected local areas in order to encourage employment as an option and develop the supply of labour for jobs that are required within the city.

Low Skills

There also needs to be a considerable improvement in the skills levels of city residents. Basic skills shortages are more of a problem in Leicester City than the county for both numeracy and literacy with 30.4% of people in the City suffering from poor literacy, compared to 24% in the county. In addition, Leicester's workforce receives much lower levels of job-related training than the national average (10.4% compared to 12.2%)⁴.

Assessment of the skills problems faced by city residents has been conducted by the Leicestershire Learning & Skills Council on a ward basis. The assessment highlights the need to adopt more innovative methods of engaging with the residents of the most deprived LSOA's, and in the delivery of training and support. In particular, the conventional methods of promoting learning through the college attendance based route or in restrictive community settings may not be adequate to provide the level of learner support required. We are therefore seeking to address this in two key areas of the city by supporting the development of a joint team approach to training and employment services based at community venues that can offer exceptionally high quality learning environments and support.

The Braunstone Park & Rowley Fields ward has three LSOA's which are in the worst 100 nationally for low skills as identified by the Index of Multiple Deprivation, and there are also major skills and training problems identified by the IMD within LSOA's in Freeman, Spinney Hills, and Beaumont Leys wards.

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

Leicester, with almost 300,000 inhabitants, is the tenth largest city in England and the major economy in the sub-region. It is a dynamic city with an ethnically diverse, and young population, that shows real desire for business creation. However, the city is also home to significant levels of disadvantage and residents are less likely to be working, to be economically active or to be in higher skilled / higher earning occupations than the sub-region and regional averages. The City contains 20 Super Output Areas (SOA's) in the 5% most deprived nationally, a further 23 in the worst 10%, and 31 more in the worst 20%; a total of 74 SOAs in the most deprived fifth.

Leicester's employment rates remain a real concern, despite some evidence of recent improvement. The employment rate within Leicester reflects the problems caused by the long-term decline of some traditional industries, and in particular the textile industry. In response to this, Leicester's private-sector led City Growth Strategy identifies the construction, creative industries, food and drink, retail, and technology sectors as those in which Leicester has competitive advantages over other cities and in which growth should be encouraged.

Leicester is the most racially and culturally diverse English city outside London. It owes much of its business dynamism to the high levels of self-employment to a number of its BME communities, some of which have been immensely successful. Leicester's immigrants have traditionally been entrepreneurs of a professional background, which has been a critical factor in their contribution to the city, although the background of more recent arrivals to the city is significantly different and poses a different range of challenges. The recent National Employment Panel Report, "Enterprising People, Enterprising Places" identified Leicester as one of the five key places in England to tackle the differential enterprise rates of BME communities. The employment rate for ethnic minorities, now improved to 62.6%, is better than the national average but still well below the overall employment rate of 66.4%.

The Leicester Labour Market

Leicester's traditional manufacturing base, predominantly centred upon the textile industry, has been in decline for some years. However, manufacturing remains a major employer in the city – accounting for 15.8% of all employment in comparison with a national average of less than 12%. Employment in the public sector is also significantly higher than average in Leicester (31.7% compared to 26.4% for England & Wales)⁵. Sectors in which Leicester has fewer workers than average include communications and information technology, and financial and business services.

Assessment of employment by occupation reveals that Leicester has fewer 'knowledge' workers (senior managers, professionals, and technical grades) than nationally, and significantly higher levels of process plant and machine operatives (15.6% compared to 8.7% nationally) and elementary occupations (16% compared to a national average of 11.8%).

This picture of low graded occupations in declining manufacturing industry is further endorsed by the skills and qualifications information available for the city with both the level of qualifications and skills (see previous section) lower in Leicester than for the county and the nation as a whole. 44.2% of Leicester's residents have no qualifications whatsoever, and only 16.8% have higher-level qualifications (compared to 20.4% nationally). Amongst those in employment, 35.7% have no qualifications compared to a national average of 25.6%, whilst nearly half of all of Leicester's unemployed residents (48.8%) are without any qualifications.

These factors contribute to the lower than average pay levels in the city, with Leicester workers receiving 18.6% less in full-time wages than the average for England & Wales⁶.

⁵ Source: NOMIS, annual business inquiry employee analysis 2004

⁶ Average weekly gross pay for full time workers in the city is £354.10 compared to £435.40 for England & Wales – NOMIS 2005

Employers also frequently report that they are experiencing recruitment problems and cannot find workers with the right skills for the job, including 'soft' skills. Those agencies and projects that are working to engage residents and support their return to employment have identified the need to improve the level of basic soft skills, for example by providing confidence building courses, and improving other training provision to make this more employment focused (e.g. linking ESOL training content to vocational requirements), and they have also highlighted the need to provide additional support to individuals around benefit and debt management issues once work is obtained.

Future Trends

Leicester has considerable potential. The private sector led City Growth Strategy has identified a number of sectors in which Leicester has competitive advantages and in which there is likely to be significant expansion over the coming period. These include in construction – where expansion is being driven by considerable public and private sector investment in the physical regeneration of the city - and in retail, food & drink, creative industries, and in technology based industries (supported by the presence of cutting edge research at Leicester's two universities, and the development of a science park in proximity to the National Space Science Centre). The City Council and Leicester Regeneration Company are supporting the redevelopment of the city centre to accommodate a new performing arts centre, new business quarter and office redevelopment, city living schemes including a waterside development, and a major expansion of Leicester's retail offer within the Shires extension that will include bringing the John Lewis Partnership to the city. There is also set to be considerable investment in Leicester's schools and hospitals through PFI schemes.

This investment provides Leicester with a once in a generation opportunity to address the problems of worklessness and economic inactivity within its most deprived and disadvantaged communities. To do so will require a concerted effort from all partners to translate employer requirements into skills and training services - delivered in accessible and effective ways - to communities that have been successfully re-engaged and supported to obtain employment.

Work is currently being undertaken in conjunction with the LeicesterShire Economic Partnership (LSEP) and the Leicester Regeneration Company to provide a 'pipeline' of employment opportunities that will be coming on stream as a result of the regeneration initiatives (from construction through to end-use) that are taking place and to map out the skills requirements for these. The commissioning of future engagement, training, and brokerage services will be informed by this pipeline.

Initial efforts in this respect are being concentrated on the potential for employment in the construction industry. The City-wide Construction Project has been successful in obtaining protocol agreements from building developers to maximise the use of local labour and to provide on-site training for local residents wishing to up-skill in this area. The supply side is also being addressed within the project, by creating a searchable database of all residents seeking construction work and those currently on construction courses. Developers have agreed that

their sub-contractors must use this database facility in order to help meet the targets for local labour. The project is a good practical example as to how the consortium in Leicester is already working together and has been developed in partnership between the City Council, Building Developers, Job Centre Plus, and the local colleges, and is being funded by the LSEP.

Therefore with more than £3 billion of investment taking place over the next five to seven years Leicester will be a key driver for regeneration and economic development. This sustained investment, which includes £761m of NHS Pathway PFI and £250m of Building Schools for the Future, offers real opportunities for making a step change in public procurement and the development of local supply chains. A key feature of the Leicester programme is its determination to link the market opportunities offered by public procurement and supply chain development into deprived communities, and to foster business creation and growth in order to meet that demand.

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

Priority Groups

The consortium has identified the following priority groups:

- Unemployed people with an emphasis on those who have been claiming for more than 6 months
- Lone parents
- Ethnic Minorities – specifically targeting those most disadvantaged and new arrival communities
- Older Workers (aged 50 and over)
- Ex Offenders
- People claiming benefits on the basis of incapacity for work

Leicester's overall employment rate is currently 8% below the national average, and the above groups have been identified as experiencing considerable disadvantage in the local labour market. The working age population of Leicester is currently 182,600 and an increase in the employment rate of 1% per annum therefore requires us to move 1,826 people into employment. To bridge the current gap between Leicester and the national average requires 15,338 people to move into, and remain in employment. However, as detailed in the geographical analysis submitted as part of this expression of interest, there are considerable concentrations of economic inactivity within the city, and there is a need for targeted interventions on the basis of locality and client group.

Supply Side Issues

Job Seekers Allowance Claimants

As previously noted, Leicester has a higher than average proportion of people that are long-term unemployed and have been claiming JSA for over 6 months, and

the city's JSA claimants are more likely to be lacking any qualifications than is the case nationally. Additionally, many households in the worst affected LSOA's have nobody in employment, and there is a need to re-engage with these in order to move people closer to the labour market. Leicester has seen successes in the Braunstone New Deal for Communities area, where a locally based employment project has helped to significantly reduce the JSA claimant rate, and this provides a model for potential roll out across the city.

Agencies working in this field report that many claimants are unsure as to the types of work that are likely to become available, and how to access training within the city in order to provide them with the best of opportunities for securing work. There is also a need to provide additional personal adviser support to job seekers in local communities. This is currently provided by the Job Service Partnership project, delivered by the City Council in partnership with Job Centre Plus, The Next Step, and local community groups. The project has been successful in helping people move towards work by following individual programmes of training with guidance and support, including preparation for interviews, and by providing access to Job Interview Guarantee Schemes and to customised pre-recruitment training prepared for employers that are planning to conduct major recruitment exercises. A range of agencies in the city provide similar services but these are often restricted to particular localities. As part of the NRF Floor Target Action plan we propose to create a single job ready register that will provide the details of all job ready individuals across the city to employers with detailed skills and desired job matching facilities.

Lone parents

Evidence shows that the majority of lone parents want paid work. However, despite a recent improvement, Leicester's lone parent employment rate remains 9.36% below the national average. Whilst the New Deal for Lone Parents has had some success, there is an underlying problem of the security of employment for this client group and a need to ensure that lone parents moving into employment are able to progress further. Barriers that need to be addressed include fears about being worse off in work; the lack of suitable / affordable childcare; low levels of skills and qualifications; and engaging employers to provide flexibility in working arrangements so that parental responsibilities can be managed whilst in employment.

Ethnic Minorities

Leicester has a large minority ethnic population (27% of all residents belong to a Black & Minority Ethnic group), and analysis indicates that most of the ethnic minority groups have higher levels of unemployment than their white counterparts. The reasons for this include a lack of relevant skills and language needs, childcare commitments, a lack of understanding of the support available, employer perceptions, and some groups having greater cultural barriers to employment (for example amongst Muslim women).

However, the degree to which this results in a higher level of economic inactivity varies amongst different BME groups. For example, the employment rate for the

Indian population is 64.4%, the rate amongst the Pakistani and Bangladeshi communities is only 22%, and amongst the Black community it is 39.3%.

The figures indicate that a greater degree of targeting on the Bangladeshi, Pakistani, and Black African populations is now required and ongoing support and specific interventions to increase the employment rate, engage with communities and break down the cultural barriers to employment are needed.

The inner city wards are home to concentrations of low income black and minority ethnic communities, whilst the outer estates on the west of the city and the Braunstone area are predominantly populated by lower-income white residents. These geographical and ethnic dimensions have been recognised by the Council and the wider Leicester Strategic Partnership, which have put in place a Community Cohesion Strategy to break down the barriers that exist between communities in the city. Leicester remains a national example of good practice in community relations and has not witnessed the degree of ethnic tension experienced by other cities in recent years.

Measures to tackle these include increasing access to education and training particularly for those working in declining or low paid sectors, engaging employers in the business case for diversity, and providing suitable language training and other tailored gateways to support BME residents into employment. Specific interventions are also required in order to assist new arrival communities into employment, and these include the promotion of new arrivals to employers, and enhancing provision of vocational ESOL language courses, together with the development of work experience placements with employers.

Older Workers

Although the employment rate of over 50's in Leicester is only 1.9% of the national average, the rate of growth has slowed in recent years, and there is evidence that the numbers of benefit customers aged over 50 within the most deprived LSOA's is increasing (from 1,555 in 1999 to 1,745 in 2005). A targeted approach to engage older workers in these localities will be required.

The promotion of older workers to employers, especially in relation to the pool of skills and experience that they have; and working with employers to develop equal opportunity policies that include age as a factor, as well as providing targeted skills and retraining opportunities have been identified as suitable interventions for this group.

Ex-Offenders

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 re-offending include interventions to offer tailored education, training and employment opportunities. Work is currently being conducted in partnership with Leicestershire Probation Service to ensure that assistance is provided to offenders with community based sentences. Again, we have identified the need to ensure that services link ex-offenders to real job opportunities and to work with

employers to take ex-offenders as work placements or on a trial basis.

People claiming benefits on the basis of incapacity for work

Leicester has a total of 15,695 benefit claimants as a result of incapacity for work – representing 8.73% of the working population. However in 21 LSOA's this percentage rises to over 15% and in two LSOA's – situated in New Parks and Abbey wards – the rate is in excess of 20%. There is a need therefore to clearly target interventions in those areas where the rates are highest.

Interventions identified by the Leicester Economic Action Partnership – the economic sub-group of the local strategic partnership – include joint work with primary care trusts to identify long term Incapacity Benefit claimants through GP's and to target them with information and support to encourage work as an option for this group. In addition, work is necessary with employers to develop work opportunities that take account of employee's medical problems. Addressing the fear of people being worse off in work, and ensuring that the transition off benefits and into employment is a smooth one are also key priorities, as is the provision of in-work support to ensure that employment is retained and initial problems at work are resolved.

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

The consortium will be based around the membership and expansion of the Leicester Economic Action Partnership (LEAP) which is the strategic arm for economic development for the Leicester Partnership and who oversee the delivery of the Local Area Agreement, but will add the crucial element of employer engagement by bringing together those employers that are already active in promoting job opportunities to disadvantaged groups in the city. The Job Service Partnership project has built up positive working relationships with over 60 private sector employers in the past 12 month period, and these have now signed agreements to use the project's Job Interview Guarantee Scheme. A number of them – including Sainsbury's, Next and other major retailers have also worked with us to promote customised pre-recruitment training to priority groups in advance of major recruitment exercises locally. The consortium will bring together these employers with the public sector as a partnership capable of making a real difference to the employment rates of disadvantaged groups in the city.

We also see the need for the consortium to improve the level of involvement of the voluntary and community sector in this agenda, with particular emphasis on the engagement of local communities and priority groups. Initially, we propose to involve Voluntary Action Leicester – the local umbrella body for this sector – however, we would like to expand on this in the consortium to involve local area forums and to examine ways in which the voluntary sector in the most deprived localities can be mobilised to support the measures identified by the City Strategy consortium.

Creating this consortium as a sub group of LEAP will enable it to feed into the development work being undertaken around the Local Area Agreement and the Neighbourhood Renewal Floor Target Action Plan. Furthermore, LEAP oversee the delivery and strategic direction of some of the key regeneration funding programmes in the City including the European Social Fund, the European Regional Development Fund, the Neighbourhood Renewal Fund and the Single Regeneration Budget.

The membership of LEAP involves the major parties that oversee economic development within the city from public, private and the voluntary sector. These being:

Job Centre Plus	Leicester City Council
Learning & Skills Council	Voluntary Action Leicester
Leicester Partnership	Leicester Shire Economic Partnership
Chamber of Commerce	Braunstone Community Association
Leicester Regeneration Company	Leicester University

We propose that the City Strategy consortium will consist of the following organisations

- Leicester City Council (LCC)
- Jobcentre Plus
- Leicestershire Learning & Skills Council (LLSC)
- Braunstone Community Association
- Voluntary Action Leicester and members – will act as a conduit for dissemination and information intelligence.
- Employers – Through the employer network a number of employers will be engaged to link into the key areas of need and demand as highlighted within the expression of interest.
- Key Agencies – key agencies will also be approached which have working knowledge of working with the targeted groups i.e. Apex has a long-standing relationship in helping to get ex-offenders back into the labour market.

This expression of interest has been compiled jointly between the above bodies, taking into account past and current knowledge of the key groups and agencies involved within the city centre. Further development work will be undertaken to develop this consortium once the expression of interest has been submitted.

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

Existing programmes and activities need to be better co-ordinated in order to ensure that individuals progress from engagement, through training, and job brokerage to sustainable employment. At the present time, many of the aspects

of this process are commissioned individually and without reference to capacities in other stages. We therefore consider that there is a need to:

- Jointly commission each step of the process - from the point of community engagement through to post employment support. This will require a significant alignment of funding across all partner agencies, and joint decision making on funds aligned to the City Strategy.
- Map existing provision and improve capacity to deliver employment training from community venues (e.g. through the LSEP proposal to develop Access Centres to employment and training)
- Ensure that adult learning is linked to current and projected employment opportunities. We will also seek to establish a joint team comprising of Council, Job Centre Plus, The Next Step and other staff in integrated training and employment centres in two of the most disadvantaged communities in the city.
- Engage the LRC in the planning of future supply side initiatives & gearing of adult training programmes to meet the need for end-use of physical regeneration programmes.
- Better co-ordinate with the local labour market (e.g. through the citywide construction project) and make it easier for employers to access local labour, for example by expanding the take-up of Job Interview Guarantee Schemes.
- Increase and promote the use of work placements for those individuals that have been out of the labour market for some time.
- Investigate and target areas where employers experience recruitment problems and ensure that these issues are addressed in the commissioning of new projects across the partnership.
- Further research and develop projects to work with employers and employees to support new job entrants to retain their employment and progress within the labour market.

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

We would like to establish a joint team in local areas – comprising of members of staff from all of the key consortium member agencies. The team would work from a local training and employment centre and provide advice and guidance services, benefits advice and administration – with some increased local flexibility (see barrier 3, below).

The team would have a single line of management within the centre and it would be necessary to waive nationally agree conditions of service within each member

organisation (e.g. Job Centre plus, The Next Step, Learning and Skills Council) in order to allow the team to exist. The team would need to be able to provide a joined up and seamless service to users in the locality. The centre would also host recruitment exercises by local employers and training providers would deliver courses on site. A state of the art training facility is already in place in the Highfields area of the city, and placing a small team as envisaged here within the centre would be a real enhancement to this provision. In the Braunstone area of the city, we propose to develop a similar centre at Braunstone Hall that is currently in need of bringing back into use, and we propose to apply for Lottery Heritage funding for the capital costs for this.

Barrier 2

We would like to establish pooled funding arrangements between the City Council, NRF, SRB, ESF and Job Centre Plus and LSC to allow for a joint commissioning process to be developed in line with the City Strategy priorities. At the present time, the commissioning of services from community engagement through to training provision and employment support is conducted from different sources, and often subject to national guidance and criteria. We would like to see elements of the funding available to each agency pooled so that joint commissioning of this process can take place according to locally identified priorities. We also seek flexibility within the LSC's funding arrangements to allow them to commission services outside of their normal training providers – and to allocate budgets to the training centres mentioned above. These would then commission services directly from the colleges or from other providers themselves.

Barrier 3

Following consultation with agencies in the consortium, we have identified a number of national benefit regulations that discourage people from trying work or entering training. We would like to see increased local flexibility in relation to the following aspects of the benefits system:

- The 16 hour rule – for Job Centre plus to have the power to waive this where residents are participating in training commissioned as part of the City Strategy;
- Earning disregards – for higher earnings disregards to be available for single long term unemployed people returning to work;
- Work Trials – for flexibility to extend these beyond the current 13 week limit where the placement has been established as a result of the City Strategy.

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?

Current Targets

This consortium will concentrate on measures that will support Leicester's employment rate to move from 66% towards the national goal of 80%. This consortium will also contribute to the national targets of:

- Reducing the numbers of incapacity benefit by one million
- Getting one million older works into work and
- Getting 300,000 extra long parents into work

As these are national targets, Leicester's consortium will aid to support these targets as the Local Area Agreement aims to increase the employment rate by 3% from 66.4% to 69.4% by the end of March 2008. The working age population of Leicester is currently 182,600⁷ and an increase in the employment rate of 3% per annum therefore requires us to move 5,478 people into employment over this period.

Some element of this is based on current trend in the local economy, which demonstrated a growth in the employment rate in the past 12 months. However, we have also allocated £1.05 million per annum over the next 2 years from NRF to help achieve this target, and we have planned that the NRF Floor Target Action Plan will assist 1,950 people into employment between now and the end of the period.

Within that overall target, we have set targets for lone parents (650), minority ethnic communities (450), those LSOA's with the highest claimant counts (850), and those with low or no qualifications (1700) "NRF Floor Target Action Plan 2006"

In addition, we have negotiated Local Public Service Agreements to move 150 people off incapacity benefits and into employment and to secure employment for 99 ex-offenders.

Added Value Through the City Strategy

Through the City Strategy we propose to increase the impact on those LSOA's that are the most deprived in the city, and to reduce the numbers of benefit claimants in the 20 most deprived LSOA's by 20% by 2010. This would require us to move an additional 1,290 people into sustainable employment.

The targets for the main three priority groups are broken down as follows:

Long term Jobseekers Allowance Claimants	386
Incapacity Benefit Claimants	550
Lone parents	354
Total	1290

An average cost per job through New Deal programmes for these types of client groups would be in the region of £4,000⁸, placing the total value of the programme in the region of £5.16 million. We consider that significantly better value can be obtained through the City Strategy approach by engaging employers and building on the programmes that are already present in the city such as the City Wide Construction Project, Job Service Partnership and Braunstone Working and by bringing into use the excellent training facilities at Highfields Centre that are currently under-utilised. We also consider that integrated commissioning processes across the consortium will lead to better value in the purchasing of services, and in particular that changes to the commissioning of training provision – making this more employer focused – will reap benefits.

The City Council will be the accountable body for these targets, as the Council is responsible for monitoring progress towards the targets contained within the Local Area Agreement and in relation to the Local Public Service Agreements, and in effect the targets presented here represent a further stretch to existing targets.

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

The performance system that will be adopted is the PerformancePlus Local Authority system. This has been adopted for the Leicester Local Area Agreement (LAA) and therefore the consortium's targets will link to the work and targets across other funding areas in Leicester.

The PerformancePlus System relates strategies into actions that can be performed and monitored. It also supports both hard and soft measures, where the latter are based on subjective opinions. The system has a risk management capability whereby a risk assessment can be attached to an objective that estimates the chances of not achieving the objective and the potential consequences of that failure. This includes both quantitative and qualitative information.

Overall the system will provide an audit trail for tracking of performance against the consortium's targets.

This system will enable the work developed by the consortium to feed into the overarching targets of the Local Area Agreement and thereby demonstrate a clear process of delivery.

Alongside this, the project will be monitored via the Accountable Body for this project to ensure effective delivery of the project. Leicester City Council has a good track record of monitoring and delivering projects within the area and have also agreed to be the Accountable Body for a number of key regeneration programmes which have successfully developed key sites and improvements to working life within some of the most deprived areas of Leicester.

Therefore, through both the Accountable Body and the PerformancePlus System there will be a robust system that will track spend, performance, targets, delivery, management arrangements and ensure compliance with any rules governed by the funding body. These systems and payments are also verified by the City Council Finance Section.

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 project will help to facilitate closer working arrangements within a number of key bodies within the city and will allow more creative working in this field. In particular, the joint teams based in local employment and training centres will provide an innovative approach to tackling the poor employment rates within the most deprived areas of the city, and bring into practice the aims of the Local Area Agreement in focusing resources across partners on the most pressing issues in the city.

One of the major benefits and impacts that will occur as a result of this proposal will be the joining up of disparate commissioning processes to ensure that the process from community engagement right through to in-work support is commissioned as a coherent whole, and is rooted in the real recruitment needs of local employers. As such, the City Strategy provides the opportunity to intensify the process that has been started by the Local Area Agreement process, but which so far has not brought about the pooling of funding across partners in ways that have happened with other blocks (for example in relation to Health and Education).

The targets set out within the City Strategy represent a stretch on those that are present in the LAA and within the NRF Floor Target Action Plan. These relate to the following indicators:

Neighbourhood Renewal Floor Targets:

- The overall employment rate for the city.
- Employment rates for specific groups (lone parents, ethnic minorities, over 50's, and those with the lowest qualifications).

LPSA 2 indicators:

- Number of unemployed offenders entering sustainable employment
- Number of people who are claiming benefits on the basis of incapacity for work and who gain a job entry that is sustained for 16 hours per week or more and for at least 13 weeks.

Local Area Agreement

- The number of employers engaging in workforce training as part of the Train to Gain (NETP) employer programme.

We propose to monitor the progress towards the aims of the City Strategy as if the targets were part and parcel of the existing LAA, using the same performance management processes and building the consortium into the Local Strategic Partnership's governance arrangements (as detailed below).

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?

As detailed on page 13 this consortium will build upon and work with the economic development arm of the Local Area Agreement through the Leicester Economic Action Partnership, thereby enabling the consortium to fit into existing regional and local structures.

In addition as outlined on page 8 the consortium will work alongside the key regeneration developments within the city to maximise the to potential growth of the economy of the next couple of years i.e. through the development of the new business quarter, the cultural quarter and the new shires development.

Governance arrangements have been highlighted in the barriers section (page 14 and 15) of this expression of interest. These barriers have highlighted areas where governance arrangements could be improved such as, more flexibility on cross-working or the pooling together of funds.