

DWP Employment Consortium

Extension of the Sheffield New Deal for Towns, Cities and Regions business case and

Expression of Interest for DWP City Strategy on behalf of the prospective consortium for Sheffield, Barnsley, Doncaster and Rotherham

DWP Employment Consortium – expression of interest

New Deal for Towns, Cities and Regions – extension of business case

1. Vision

- 1.1 The South Yorkshire Consortium has a unifying vision for employment and skills in the sub-region. We want a vibrant local economy where employment rates are high, where employers can find the skills and aptitudes they need and where work is the route out of family poverty and the way to close the gap between prosperous and disadvantaged communities.
- 1.2 The rises in employment and falls in joblessness of recent years have stalled. Further progress now requires more than existing interventions can offer. We want to achieve a step change in employment and skills development. This will entail **strengthened local leadership, effective employer engagement, collaborative, inter-agency planning and an integrated delivery system which provides a ‘whole needs’ approach** to the issues and barriers experienced by workless and low skilled individuals. The consortium is proposing radical changes to the planning, commissioning and funding of provision and services through employer-led Work and Skills boards and multi-agency delivery teams.

2. Geographical focus



- 2.1 This submission is made on behalf of a **consortium representing the Local Strategic Partnerships (LSPs) of Sheffield, Barnsley, Doncaster and Rotherham**, supported by the South Yorkshire Partnership and **led by those LSPs in the area that have been invited to**

bid. It builds on strong and longstanding collaboration relating to the Objective 1 Programme and Yorkshire Forward’s sub-regional investment planning process. **It offers a coordinated approach to issues of worklessness, low skills and child poverty in those parts of the city-region where these problems are concentrated.** The consortium model is one that can be extended to other districts in the city-region and this is our intention in due course.

2.2 We are committed to a ‘Closing the Gap’ policy to reduce significantly the differences in employment rates, educational attainment, skills levels and health and crime inequalities between the least and the most disadvantaged areas, neighbourhoods and estates in the sub-region. We will adopt therefore an approach that **targets not only those wards which form the basis of existing neighbourhood renewal strategies (listed below) but also lower super output areas (SOAs) indicating concentrations of worklessness.** The focus on SOAs will allow specific groups to be targeted in the most disadvantaged wards and also those ‘hotspots’ of social exclusion in more prosperous wards. **Enhanced data analysis** at the local level, made possible through improved inter-agency working, will allow resources to be concentrated, combined and connected more effectively in pursuit of our employment and skills goals. All four local authorities have sophisticated neighbourhood statistics systems which, when combined with the DWP GIS tools and LSC data, will allow local partners to identify concentrations of worklessness and target groups so that they can organise their response more effectively. The four local authorities will work together through a data sharing group to benefit from best practice and to refine their targeting of key groups and communities.

Target wards

Sheffield	Barnsley	Rotherham
Manor	Dearne Thurnscoe	Wath
Burngreave	Brierly	Maltby
Park	Dearne South	Dinnington
Castle	Athersley	Rotherham West
Southey Green	Park	Rawmarsh
Sharrow	Monk Bretton	Silverwood
Netherthorpe	Worsborough	Hooper
Norton	Ardsley	Wingfield
Firth Park	Cudworth	Keppel
Nethershire	Wombwell North	Boston Castle
Owlerton	Darfield	Rotherham East
Brightside	Royston	Valley
Darnall	Central	

Communities identified in the Doncaster NRF framework as having the most Employment Deprivation.

Woodlands	Carcroft	Armthorpe
Askern	Balby	Highfields
Bentley	Toll Bar / Almholme	Cantley
Hexthorpe	Conisbrough	Denaby Main
Old Denaby	Edlington	Dunscroft
Intake	Mexborough	New Rossington
Stainforth	Moorends	Thorne
Hyde Park	Town Centre	Lower Wheatley
Wheatley Park		

3. Demand-side opportunities

An analysis of the labour market in South Yorkshire until the end of the decade has been undertaken on behalf of the consortium by the Centre for Full Employment. This draws on the data sets underpinning the RDA’s Regional Econometric Model and is supplemented with the sub-regional data produced for the National Employer Skills Survey. This analysis and the

LSC SY's Strategic Area Review, indicates that, taking into account total inflows and demographic shifts, **at least 36,000 unemployed or economically inactive people will need to join the labour force in South Yorkshire by 2010 to meet a labour market deficit incurred by replacement demand and local economic growth.** The table below sets out the sectors and occupations where vacancies are predicted to occur:

Predicted South Yorkshire employment opportunities by sector and occupation until 2010.

	Edu- cation	Transp	Bank & Busin	Const	Public Admin	Hosp. etc	Retail	Manuf	Food	Health	ALL
Childcare	5,120										5,120
Technical	1,750					2,000				338	4,088
Clerical	1,750	2,000	2,600	1,220	3,470	1,200	690	1,630	-250	2,867	17,177
Professionals			3,420				880	-50	-10	1,160	5,400
Technicians		2,500	1,430		620			930	300		5,780
Sales & Customer Service		3,700		320			13,840		40	-179	17,721
Managers			5,420	750			-670	- 2,500	-60	515	3,455
Skilled Trades		1,600		750		960	-840	1,340	350	795	4,955
Drivers		5,200					420	-300	20	34	5,374
Elementary		4,840	4,720		480	11,000	2,740	980	1,400	1,122	27,282
Process & plant operatives							-240	- 3,600	-550	-10	-4,400
Leisure									50	-8	42
Research										235	235
Health & APPT										9,639	9,639
Caring & Personal Services										9,992	9,992

4. Supply-side challenges

4.1 In the last few years unemployment in South Yorkshire has fallen markedly (JSA rate from 4.8% in 1999 to 2.6% in 2004) and employment has increased (ILO employment rate from 69.2% in 1998 to 71.5% in 2005). However, recent trends have been less encouraging and demonstrate some disturbing sub-regional variations. Whilst Sheffield's JSA claimant count continued until recently to fall, it rose in the other three local authority areas. Conversely, the employment rate climbed by 3% during the same period in Barnsley, Rotherham and Doncaster but fell in Sheffield. The net result has been that the **employment rate in South Yorkshire is now 2.6 percentage points below the regional average and 3.2 percentage points below that for England.**

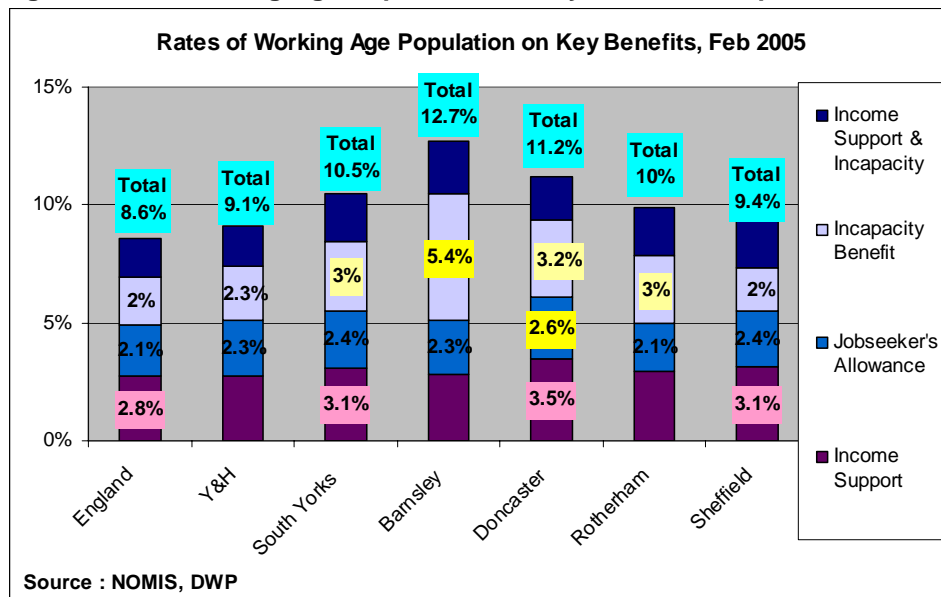
ILO Employment Rate 1999/00 – 2004/5

	1999/00	2000/1	2001/2	2002/3	2003/4	2004/5
England	74.4	74.5	74.8	74.5	74.6	74.7
Y&H	72.6	73.6	73.4	73.3	73.9	74.1
SY	69.2	69.5	70.5	71.0	71.4	71.5
Barnsley	71.3	69.3	67.1	66.0	68.6	72.6
Doncaster	70.9	67.0	70.0	69.6	70.1	72.1
Rotherham	65.7	69.9	73.8	72.0	73.0	74.0
Sheffield	69.1	70.7	70.7	73.4	72.7	69.6

Source : LFS Local Area Labour Force Stats to 2003/4, Annual Population Survey 2004/5

4.2 Only 17.7% of South Yorkshire's 129,400 claimants are claiming JSA. Lone parents (21,600), and persons claiming one or more incapacity or disability related benefits (73,200) make up the rest. **Over 81% of those claiming one or more of these forms of incapacity benefit have been doing so for more than three years and 32% of all claimants are aged 45+.** **Entry onto Incapacity Benefit (IB) for mental health reasons has been increasing** both sub-regionally and nationally and this is particularly prevalent in the younger age range (15.5% of all IB claimants are under 35 in South Yorkshire). The proportion of the working age population on benefit in South Yorkshire, especially IB, is significantly above both national and regional averages (in aggregate, some 10.5% compared with 8.6% nationally, a difference of around 22%).

Figure 1 % of Working Age Population on Key Benefits compared to UK & Region



4.3 The Pathways to Work pilot operating in Barnsley, Rotherham and Doncaster and a similar, small scale Objective 1-funded programme operating in Sheffield demonstrate that the key challenges we face in relation to IB include the **problems of client engagement; the low skills base among the client group; low levels of confidence; a lack of work history; fear of a reduction in income following the move from benefits; loss of existing benefit status if employment isn't sustained, and a poor fit between existing skills and those required by the emerging labour market.** While these are not unique to South Yorkshire, the numbers involved suggest they are more intense.

4.4 Our analysis also shows that **worklessness is concentrated in pockets of deprivation.** In some areas more than 60% of the working age population live in households without a wage-earner. This places more pressure upon the benefit recipient to remain within the benefit system, and emphasises the need for 'whole household' solutions. The delivery model we propose and set out below builds on our understanding and experience of working with the target groups and proposes an integrated approach tailored to the needs of the individual customer.

4.5 **Research undertaken by the Centre for Economic and Social Inclusion** on behalf of Sheffield LSP shows that whilst there has been a convergence between the city's employment rate and the national average since 1997 and the unemployment rate had fallen fastest in the city's most disadvantaged wards, other key indicators point to persistent and pernicious problems of worklessness and a skills deficit. These indicators included:

- an ILO employment rate that is more than 4 percentage points below the national average of 74.3%

- economic inactivity which has remained at between a fifth and a quarter of the city's working age population since 2001
- an outflow from all benefits into work that has not improved substantially since 1999
- barriers to work faced by specific groups as seen in a
 - a gap between BME and white citizens accessing work which is greater than in all but two core cities (Manchester & Newcastle)
 - the fact that only 47% of lone parents are in work compared to 57% nationally
 - the fact that the employment rate for those with a health problem is almost a third lower than those without.

4.6 In addition, the city faces specific skills issues seen in:

- more low skill jobs compared to the national average, many of which are in sectors that are predicted to contract. New jobs are predicted to require higher skills levels and higher qualifications. The Leitch review has predicted that 95% of jobs will require Level 2 skills by 2020 and 65% will require Level 3. This trend will reinforce social exclusion and worklessness among the unskilled and those with few or no qualifications unless the skills deficit is addressed
- almost a third of local people aged 16-74 having no formal qualifications, compared to a quarter nationally, and over 80,000 adults having Basic Skills needs.

4.7 The same experiences, challenges and needs are repeated in other parts of the sub-region and this reinforces the case for a sub-regional partnership approach both to achieve the step change in performance to which we aspire and to take full advantage of new employment opportunities such as those in the Dearne Valley, Robin Hood Airport and the Advanced Manufacturing Park, which both need and encourage labour mobility within the sub-region. Despite significant urban regeneration and economic growth in the sub-region not all communities have benefited to the same extent from emerging job opportunities and growing prosperity. Incapacity Benefit claimants and lone parents in particular have not benefited from access to the growth in jobs. In Rotherham, as in Sheffield, Black and minority ethnic communities have been particularly disadvantaged in the labour market. Moreover, the pattern of polarisation with the most deprived neighbourhoods failing to benefit to the same extent from a strong national and local economy and the existence of highly localised pockets of worklessness, child poverty, low skills and poor health. This is compounded by low levels of entrepreneurship and self-employment.

4.8 In its determination to address these weaknesses the consortium has set itself **six challenges:**

1. To increase the sub-regional employment rate to at least 75% by 2010
2. To narrow that gap between neighbourhoods and communities with the highest and the lowest employment rates
3. To provide high quality support to employers to help them recruit effectively and to train their workforce
4. To increase participation and achievement in lifelong learning
5. To increase significantly the employment rates of those residents who lag behind in jobs and skills
6. To reduce further child poverty, particularly through supporting into work lone parents and the partners of employed adults in low income households.

4.9 The consortium's efforts to achieve its stretching but realistic employment rate target will be made easier by the government's 80% aspirational, national target. Indeed, **the government will find it difficult to achieve its aspiration if England's fourth largest city and the other local authority areas in South Yorkshire cannot increase their employment rate to 75%.** However, we could not achieve this target even if every Jobseekers Allowance (JSA) claimant in the sub-region were to be placed in a job. **The consortium's employment target can only be achieved if a significant proportion of residents of working age, who are currently not seeking work, are encouraged and enabled to do so and if these labour market entrants are equipped with the skills, confidence and support needed to secure and**

sustain employment. To achieve this the consortium has focused on **five categories** representing social exclusion:

1. **Incapacity Benefit or Severe Disability Allowance claimants**
2. **Lone parents**
3. **Partners of benefit claimants**
4. **BME communities**
5. **Disadvantaged wards**

Baseline data for target categories

Group	Sheffield	Rotherham	Doncaster	Barnsley
Incapacity Benefit (including DLA & IS)	23,400 residents, (8% of the working age population)	15,150 residents (9.8% of the working age population)	17,965 residents (10% of the working age population)	18,500 residents (13.9% if the working age population)
Lone parents claiming income support	6,880, or 2.3% of the city's working age population	3,000, or 1.9% of the working age population	4,190, or 2.4% of the working age population	2,500, or 1.9% of the working age population
Partners of benefit claimants	8,500, mainly women (10% of those adults who are outside of the labour market)	<i>Analysis to be undertaken</i>	<i>Analysis underway</i>	<i>Analysis underway</i>
BME communities	Gap between the employment rate for white and all BME communities is 22%	Gap between the employment rate for white and all BME communities is 24.2%	<i>Analysis underway</i>	<i>Analysis underway</i>
Disadvantaged wards	12 wards where the employment rate is significantly below the city average reflecting the geographical polarisation of the city	IB and SDA claim rates for Rotherham's disadvantaged wards far exceeds the borough average with the worst performing standing at 17.2% of the working age population.	Significant disparities within and between communities in Doncaster, the highest concentrations of IB claimants in some is twice the borough average.	10 wards where claim rates exceed the local authority average.

4.10 Our approach has **four design principles**:

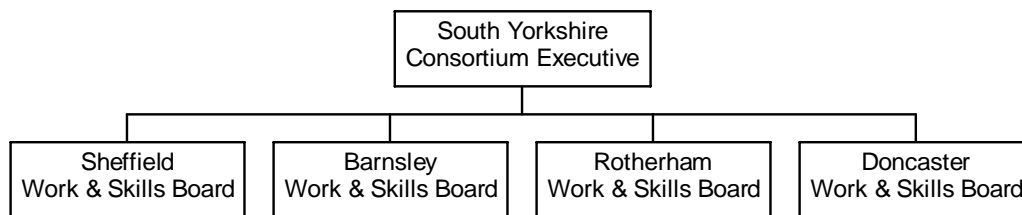
1. Improving the supply of labour and reducing inequality by addressing economic inactivity
2. Making employers' needs central to how employability and skills are improved
3. Improving the skills of new entrants to the labour market, those suffering worklessness and those in employment
4. Integrating and improving service delivery to employers and the workforce.

The next section describes how these will be applied in practice.

5. Composition and organisation of the consortium: Work and Skills Boards

5.1 Employer leadership is crucial to winning demand side commitment. We propose to secure, employer-driven Work and Skills Boards in each district drawn primarily from those sectors with most employment potential and those most likely, without intervention, to encounter recruitment and skills problems. The boards will also include the senior executives of the LSC, JCP, the local authority, Yorkshire Forward and Objective One (and its successor programme after 2007) **Sheffield will be the first local authority in the consortium to establish a Work and Skills Board. It will be employer-led, sector-specific and will coordinate employment and skills-related activities across the city.** This board will be operational from July 2006.

5.2 The common vision, similar challenges and a consensus as to how these will be tackled means that the **model will be rolled out on a phased basis across South Yorkshire**. Individually these boards will exploit the strengths of local relationships, opportunities and experience whilst collectively they will operate within a common framework of aims, target setting, performance management and the sharing of best practice. This **federated model** provides for the highest level of local flexibility and responsiveness in tackling employability and skills issues whilst, at the same time, acknowledging the value of sub-regional coordination already seen in LSC SY, the South Yorkshire Employer Coalition and the recent amalgamation of the South Yorkshire JCP districts. The work of the local boards will be **overseen by a South Yorkshire Executive** that will build on existing sub-regional partnership arrangements.



5.3 **A local Work and Skills Board that is employer-led**, sector specific and which has representation from all of the key agencies at executive level will provide a powerful articulation of local needs. Each local board will **draw on best practice from the Fair Cities model but will extend the focus to groups other than BME communities** who are disadvantaged in the labour market. **Through collective ownership of and accountability for an agreed implementation plan the board will deliver stretching targets relating to worklessness and the skills deficit and will commission provision accordingly.** The result will be an improved response, based on local evidence and experience, to the needs of those individuals and groups who are the focus of its activity. The board will take action, through its strategic partners, to address gaps in provision where these are identified or where existing arrangements remain unresponsive to customers' needs. Each board will work through strategic partners to ensure that finite resources are combined or aligned for maximum impact and they will stimulate new and flexible approaches to local need. The local boards will be **nested within and be accountable to their respective LSPs**. The local boards will be responsible for:

- providing local leadership, vision and direction in tackling worklessness, poverty and the skills deficit
- representing the employer voice, focussing on growth sectors and those with high replacement demand
- systematically assessing existing and future skills, employment and training needs and ensuring provision is shaped to meet these
- developing a strong understanding of the quality, range and effectiveness of local provision
- ensuring that provision is commissioned which is locally designed with the active participation of employers, creating employment pathways for those furthest from the labour market
- securing partnership working and community engagement in the shaping of provision and the reduction of barriers to access and progression
- monitoring, evaluating and reviewing performance and impact; and holding partners and providers to account for the achievement of agreed targets.

5.4 The local boards will comprise key employers from both large organisations and SMEs drawn from sectors and businesses of local and national importance as well as executive officers from the relevant stakeholders including JCP, LSC SY and Yorkshire Forward, the local Chambers of Commerce and hospital trusts. **Those voluntary, community and faith (VCF) and private sector organisations playing a leading, or specialist role in delivering JCP**

and LSC contracts will also be represented. The local boards and the South Yorkshire Executive will be supported by the South Yorkshire Employer Coalition. The primary aims of the boards will be to open up labour market opportunities to those currently failing to access work and to secure sustainable employment for those in fragile, low paid, low skilled jobs. **Local boards will concentrate on jobs in sectors that are priorities for the local economy and skills development up to Level 3.**

- 5.5 In addition, Sheffield will establish **Creative Sheffield**, a complementary city economic regeneration company with its own high level board. **Whereas Sheffield's Work and Skills Board will concentrate on securing employment for those at a distance from the labour market and improving the skills base of those in or about to enter work up to Level 3, Creative Sheffield will focus on wealth creation and the competitiveness of the city> Its aim will be to strengthen the city's ability to sustain growth in key sectors and, within this, to secure the higher level skills, mainly at Level 4 and above,** required by those high value, knowledge-based industries that it wishes to cultivate as part of the city's economic transformation. The Sheffield Work and Skills Board will work closely with Creative Sheffield, through the LSP framework, to coordinate the city's skills and employment programmes. Similarly, the Work and Skills Board will coordinate its activity with that of the city's 0-19+ Board (Children's Trust).
- 5.6 The city-region skills working group, established by the LA Chief Executives, LSC, JCP and Yorkshire Forward, has identified four distinct groups of learners relating to the national skills strategy and has determined where primary responsibility for addressing their needs will lie and the division of responsibilities between the Sheffield Work and Skills Board and Creative Sheffield is consistent with this. The responsibility for programmes that secure **the higher level skills and qualifications which are essential for longer-term workforce planning and economic transformation** will be at the regional level and organised the Regional Skills Partnership (RSP). The RSP will need to work closely with Creative Sheffield and similar bodies operating in the other local authorities. The Works and Skills boards will complement this by taking the lead on programmes for:
- **entrants to the labour market** – work transition programmes for those leaving education
 - **workless and employability** – programmes that address the needs of those facing barriers to work
 - **workforce development** – programmes that develop the skills and job sustainability of those already in work.
- 5.7 Employers participating in their local Work and Skills boards can expect to benefit from a multi-agency approach that builds the skills and employability pathways that prepare individuals at a distance from the labour market to take up the employment opportunities on offer. Participating employers will be expected to make available vacancies relevant to target groups. This will extend the range of vacancies currently made available through JCP and establish secure pathways to work for target groups to the benefit of the whole partnership, including JCP. The local partnerships have the strong support of key employers' organisations including their Chambers of Commerce. In addition, the South Yorkshire Employer Coalition has already engaged the consultant responsible for redesigning the Regional Skills Partnership to facilitate this process of employer engagement and to establish the operating model for the local boards. The consultant will first work with partners to establish the Sheffield Board and to this effect he is working with the Chamber of Commerce, other employers' organisations and key businesses to secure a broad range of committed employers who are prepared to represent their sectors.
- 5.8 Employers will be selected to join the local boards on the basis of their:
- conviction that there is a business case for a local employment and skills plan
 - developed sense of corporate social responsibility
 - commitment to offer relevant job vacancies as part of the board's work and skills programme
 - willingness to act as champions of the programme.

Approaches have been made to the employers and employers' organisations listed below. A long list has been drawn up and a final selection will be undertaken by representatives from the LSP. John Bradley, a national director of the Kier construction group, a company engaged in a strong public-private partnership arrangement with the City Council, will be the chair of the new board and Kier is the first business to commit to a three-year employment plan providing access to jobs for target groups. Other employers approached are set out in the table below.

Sheffield Work & Skills Board employer representation – the long list

Sector/industry	Business/organisation
Business & Finance	Abbey Bright Finance
Catering & Hospitality	Holiday Inn Marriott
Construction	Kier Group
Creative & Digital	Digital South Yorkshire
Health	Sheffield Hospital Trust
Care	SheffCare
Manufacturing	Cadbury Schweppes
Metals etc	Gripple
Print	Garnett Dickinson
Public Administration	Sheffield City Council Home Office
Retail & Distribution	John Lewis British Land plc
Sport & Leisure	Montgomery Sports
Transport	South Yorks Passenger Transport Executive EXEL logistics
SMEs	Sheffield Employers' Forum Federation of Small Businesses
Voluntary & Community Sector	Voluntary Action Sheffield
Trades Unions	Regional TUC

5.9 Local boards will be established, with the support of the South Yorkshire Employer Coalition, by their parent LSPs in Barnsley, Rotherham and Doncaster during 2006. The sector composition for each of the local boards will be consistent with local priorities and needs.

5.10 The local authorities, as the largest single employer in each area, will lead by example in making their own vacancies available. They will seek to influence the employment and training policies of other public sector agencies such as the uniformed services and will use their supply chains and public-private sector partnerships to ensure that a range of job opportunities representative of the local economy are made available to the target groups. Important developments are underway in this respect:

- local authorities have already, or are planning to review their recruitment policies in order to build pathways to work for target groups including IB customers, lone parents and BME citizens
- local authorities are reviewing their procurement policies to determine how far these can be used to engage suppliers in the programme and five major construction companies contracted as part of Housing Market Reform have committed to job entry programmes for 500 individuals furthest from the labour market across South Yorkshire
- employment compacts have already been agreed, or are being negotiated with hospital trusts and PCTs
- local authorities have collaborated in the creation of JOBMatch, a sub-regional jobs brokerage service closely allied to community regeneration agencies and JCP
- successful pilots developed to engage school leavers Not in Education, Employment and Training and Care Leavers in jobs with training in the local authority will be extended to the consortium's target groups.

6. Integrated planning and delivery – added value for target groups

6.1 Each board will be supported by a **multi-agency delivery team** with representation from the local authority, the local LSC team, JCP, Business Link, the health sector and those private and VCF sector partners with specific expertise in engaging and working with the target groups. Sheffield's DfES 14-19 Funding and Organisational pilot has shown that committed, multi-agency working of this kind in pursuit of a common set of goals and a single plan improves inter-agency understanding and trust, provides focus and the opportunity to maximise scarce resources through the use of pooled budgets and delivers results quicker and more effectively. We will transfer these benefits to the field of employment and skills. The multi-agency team will be responsible for drawing up and delivering a three-year Implementation Plan. It will report to the Work and Skills Board and ensure that the strategic direction and agreed targets are adhered to and reported on regularly. To achieve this it will be responsible for:

- working with employers to articulate their skills needs
- negotiating sector-specific skills and employability pathways with employers and ensuring a steady supply of job-ready labour market entrants whom the former can have confidence in recruiting
- assisting the target groups in navigating pathways to employment and skills, and taking active measures to address barriers to work
- ensuring all job seekers and those in fragile employment have reasonable access to provision and adequate support
- ensuring that the provision that is commissioned is locally designed with the active participation of employers, creates employment pathways for those furthest from the labour market and supports a qualified workforce
- monitoring, evaluating and reviewing performance and providing accountability for the achievement of local and national targets.

6.2 The results of improved inter-agency working that draws upon the respective strengths and expertise of partners and which results in common goals, a single plan and the more effective deployment of resources will include:

- a better understanding of and new ways of working with economically inactive people
- stronger collaboration in the sharing of labour market information, best practice and a vision for how services for those who are workless and low skilled will be developed
- joint working between community regeneration agencies and statutory partners in the outreach and marketing needed to engage the economically inactive
- enhanced connectivity between partners to ensure that the services offered to individuals are personalised, seamless, effective and efficient
- a better supply-side responsiveness to employers' recruitment and skills needs with an enhanced jobs brokerage service and bespoke training programmes
- a new approach to commissioning and contestability that improves supply-side responsiveness to the individual and the employer.

6.3 The **three-year Implementation Plan** will provide the basis for the alignment of planning cycles and resource allocations. **The aim is to make better use of existing resources through improved coordination and more flexible deployment.** It is proposed that the **discretionary funding streams to be pooled by Work and Skills boards include NRF, LSC LID funds, DWP employment consortium pump priming funds, the Deprived Areas Fund and ESF.** In future years we would aim to secure support from Yorkshire Forward through the sub-regional investment plan. The Implementation Plan will inform the planning cycles of strategic agencies and the provider network to ensure that support and training for employers and target groups influences the deployment of core budgets and the commissioning of provision.

6.4 Delivery model

Partners in all of the local authority areas that make up the South Yorkshire consortium have piloted, in response to their employment and skills related LPSA targets, through Pathways to Work and through community-based employment initiatives, new ways of working which have **highlighted the critical success factors for achieving a step change in performance that do not require a major injection of additional resources**. The consortium believes that **there are 10 key requirements** to ensure its target groups access and sustain employment. These are encompassed in the delivery model, the constituent parts of which it is already beginning to pilot, and they include:

- i. **better, evidence-based planning and more targeting** of concentrations of worklessness resulting from data sharing and better local intelligence e.g. the combination of JCP customer information and local authority neighbourhood data
- ii. **improved, community-based outreach** that uses local, VCF groups to engage target groups, particularly those who prove particularly hard to reach and who, currently, do not receive adequate information about the positive social, financial and psychological benefits of work and the support available e.g. IB claimants. Outreach will focus on established community venues accessed regularly by targets groups including GP's surgeries, health centres, community centres, children's centres, mosques, working men's clubs etc – this approach is already in use
- iii. the operation of community-based '**JOBNet**' centres run by the VCF sector that act as the organisational focus for engagement and support with which the target groups can identify and which are locally accessible. JOBNets are already acting as 'one stop shops' for our employment and skills programmes in some parts of South Yorkshire
- iv. the designation of a **community-based key worker**, who has responsibility for adopting a '**whole person**' approach to the needs of individuals and who supports each individual through every stage of the pathway to sustainable employment. The key worker will work closely with JCP to enhance the latter's standard operating model. This approach has already been trialled and has led to improved job outcomes
- v. an **in-depth assessment of need** undertaken by the key worker and resulting in a 'whole person' plan that goes beyond the JCP standard operating model
- vi. greatly **enhanced connectivity between the wide range of existing services** that already exist to address a range of individual needs from debt or alcohol counselling to childcare, condition management and 'better-off calculations'. The key worker will be responsible for negotiating and arranging the bespoke package of support for each individual and for ensuring that the customer follows through. The local delivery team will use its pooled resources to identify and fill any gaps in provision identified at the local level
- vii. more use of **transitional labour market opportunities** in the VCF sector, with participating private sector employers and through the local authority and other public services which offer target groups at a distance from the labour market supported employment opportunities that help them to gain the skills, confidence and experience that will make them job ready – a range of programmes are already operating and will be extended
- viii. an effective **jobs brokerage service** offered by the consortium and through which employers are supported in articulating their skills and employment specifications and, as a consequence, are guaranteed that as far as is possible all participants presenting for interview will be suitable for the position and job ready – this service has already been piloted in South Yorkshire
- ix. **tailor-made 'sector gateway' skills packages** designed with employers to meet their specification for both hard and soft skills and then personalised to address the needs of individuals through their whole person plans

- x. **continued in-work support** from the key worker for the individual and the employer to pre-empt the existing problem of target groups such as lone parents and former IB customers failing to sustain employment.

Appendix 1 sets out the jobs brokerage model that has already been piloted

Appendix 2 sets out the 'whole person' delivery model

Appendix 3 provides real, anonymised, case studies that illustrate how some of the target groups are already benefiting in pilots from the whole person approach that the consortium will adopt.

6.5 The Implementation Plans will be the vehicle by which the local boards and their constituent partners will set out and deliver hard outcomes. In preparation for this the Centre for Economic and Social Inclusion was commissioned by JCP, LSC SY and the Sheffield LSP to research and propose targets for the city which include:

1. An additional 6,500 Incapacity Benefit (IB) claimants into work by 2010
2. An additional 2,600 lone parents into work by 2010
3. An additional 3,200 partners of claimants into work by 2010
4. A 15% narrowing of the gap between white and Black and minority ethnic (BME) citizens securing work by 2010
5. A JSA claimant rate of 2.1% by 2010
6. 70% of young people to achieve a Level 2 qualification by 2008
7. A 75% improvement in apprenticeship completion rates by 2008.

6.6 The other South Yorkshire LSPs have already set employment and skills-related targets as part of their Neighbourhood Renewal strategies and the consortium will work to align these with the goal of a 75% employment rate using the evidence-based setting model developed for us by the Centre for Economic and Social Inclusion.

6.8 Each board will measure its impact according to the extent to which these agreed targets are achieved. In this the board will be supported by the local development team which will be responsible for ensuring the measures are robust, that relative comparisons are made with national indicators and that suitable proxy measures are employed where necessary. Performance will be reported monthly to the local development team and quarterly to the board.

7. Barriers to delivery

7.1 The consortium has undertaken, with JCP, LSC and government departments, a refining of its proposed enabling measures. The consortium is making innovative and ambitious proposals as far as the governance, management and delivery of local employment and skills programmes are concerned. We believe that the following measures would allow the local boards to address market failure and deliver their stretching targets:

(i) Commissioning

Barrier: restrictions reported by JCP district which prevent it from accessing non-contracted training provision that would allow it to better meet the needs of the individual.

Solution: the flexibility for the board to deem non-JCP contracted provision as approved training where specific needs are identified and approved by JCP at district level

Benefit: a cost-neutral proposal that avoids the need for additional JCP contracts but which would increase the volume of customers eligible for training, extend the range of provision available and allow for more personalised skills development.

(ii) Organisational Resources

Barrier: the requirement for stakeholders to be able to commit a dedicated person to the multi-agency delivery teams.

Solution: the freedom and the resources for the JCP district to contribute a dedicated member of staff to the delivery teams.

Benefit: improved collaboration, connectivity and continuity which are essential to deliver innovation and added value.

- (iii) **Barrier:** inability to deploy DAF to maximum effect when spend is restricted to financial years but a staged roll out of the delivery model through the sub-region that spans financial years is proposed.

Solution: the flexibility to contribute the DAF to the proposed three-year resource plan for each local authority area and therefore to carry over annual allocations where the roll out timetable requires this.

Benefit: pooled funding supporting a three-year implementation plan that maximises the opportunities for match, complementary resourcing and the most efficient use of finite resources regardless of source.

- (iv) **Benefits**

Barrier: financial disincentive for IB and IS claimants to take up work due to hardships incurred after benefits have stopped and before the first wage payment is made. A significant concern expressed to outreach workers by customers.

Solution: extend the four-week Council tax and Housing Benefit run-on, already available to lone parents, to IB/IS customers.

Benefit: DWP research (www.dwp.gov.uk/asd5/175summ.asp) indicates that benefit run-on has a positive effect. The extension would help incentivise one of the most difficult targets groups to return to work.

- (v) **Re-skilling**

Barrier: disincentive for those in vulnerable jobs who already have an occupationally-specific Level 2 qualification and who are therefore not entitled to a free Level 2 training programme to retrain in order to transfer to more secure employment. A barrier identified and addressed during the Rover closures in the West Midlands and equally applicable to the metals and manufacturing sector in South Yorkshire e.g. the recent Otou Kompu redundancy announcement.

Solution: the freedom to extend the free first Level 2 entitlement to workers engaged on re-skilling programmes, as defined by LLSC

Benefit: pre-emptive action to reduce the threat of unemployment for those in fragile industries e.g. steel & engineering and the opportunity to re-skill the local labour force.

- (vi) **Target setting**

Barrier: difficulty in empowering employer-led boards and measuring their impact when sub-regional funding agencies do not set or monitor key targets at the local authority level.

Solution: freedom for local Work and Skills boards to set local goals consistent with national priorities and targets e.g. a Level 3 qualifications target for adults and others specific to the local area.

Benefit: employers empowered to help shape local skills agenda, improved planning and responsiveness of the supplier network to employers' needs and more effective impact assessment.

7.2 The consortium is currently researching and costing a number of other enabling measures that it will want to bring forward as the delivery model is tested and when LAAs are refreshed.

8. Data sharing, analysis and tracking

Effective planning at the local level has for too long been inhibited by inadequate data sharing and analysis. Moreover, the success of local employment and skills interventions has often been impeded by the inability to track learners and job entrants consistently, to measure

distance travelled and to share and act on performance data drawn from the provider network. We will establish an **inter-agency data team** working to agreed local protocols and drawing on data sources available to JCP, LSC and the local authority which will allow the local partnership to undertake more effective targeting and better tracking, and avoid the duplication of effort. In this it will build on the successful data sharing and tracking arrangements already developed locally through the Children's Trusts. It will allow the local boards to monitor, evaluate and review their collective performance on the basis of comprehensive performance management and labour market information.

9. Impact on Local Area Agreements and existing strategies and initiatives

The employment, skills, enterprise and health dimensions of the four sub-regional LAAs will be aligned with and reflect the three-year implementation plans of the Work and Skills boards. **The stretching targets and the enabling powers associated with the LAA will be the same as those in the local implementation plan.** Each LSP will ensure that local employment, skills and neighbourhood renewal strategies are revised to reflect the targets and plans put in place by the local boards. The consortium will have **one work and skills strategy and each local area will have a single implementation and resource plan for the delivery of its stretching employment and skills targets.**

10. Governance arrangements and local and regional architecture

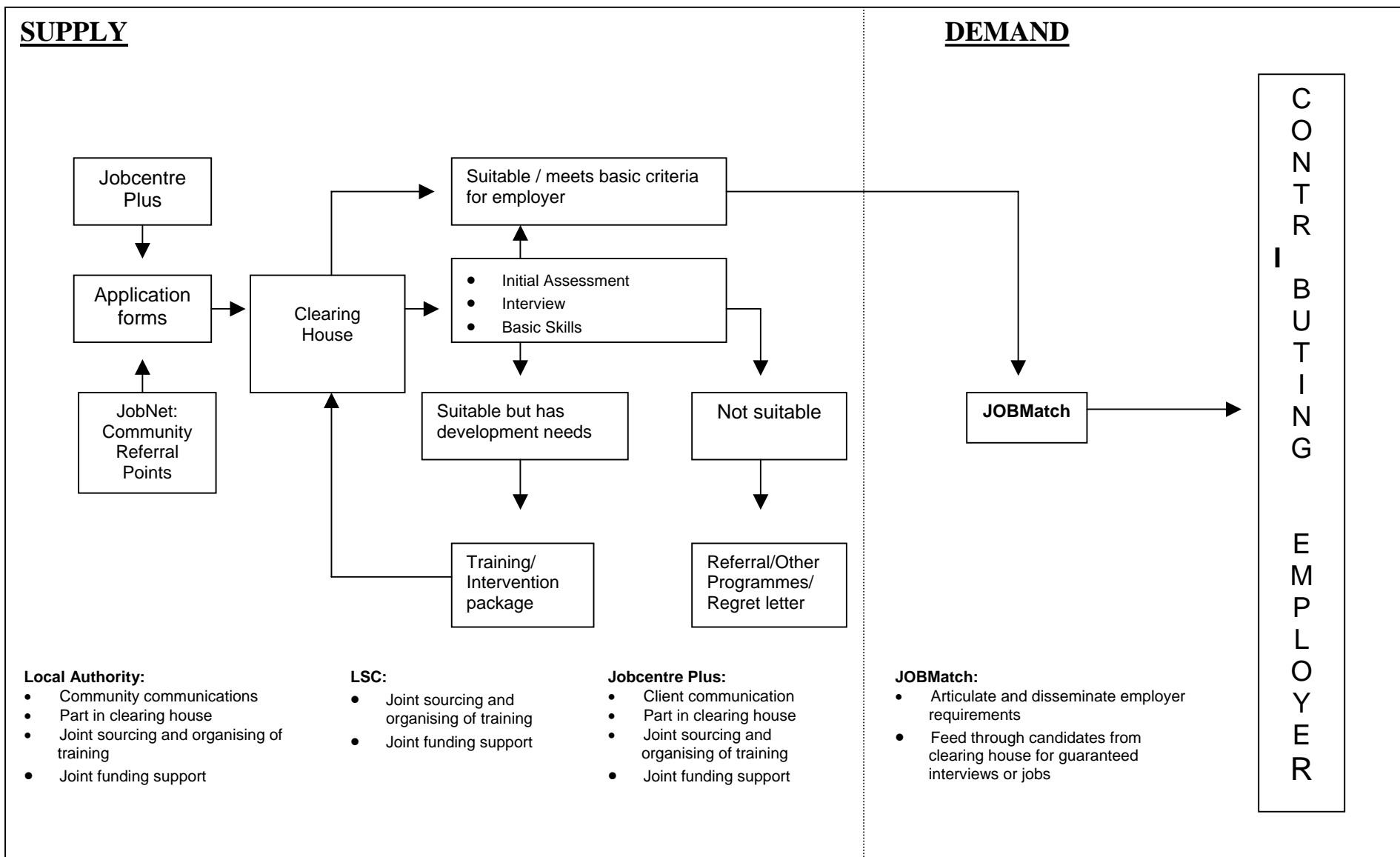
10.1 **We do not expect organisations to change their institutional accountabilities and governance arrangements** as a result of participation in the boards. However, there is an expectation that participation in the new consortium brings with it the responsibility to move to a new level of partnership working and a commitment to joint planning, maximum flexibility in support of agreed goals and targets, pooled funding where this is possible, aligned funding where this requires longer-term planning and the deployment of human and other resources to a dedicated delivery team. Boards will review regularly their added value and the extent to which partnership working is strengthening. In the mid-term there is an expectation, in line with government policy, that employer-led boards will provide an **important mechanism through which local employers can directly influence the deployment of resources by those strategic agencies responsible for employment, skills and economic development** so that public funding and provision is more responsive to their needs and those of target groups. The boards will provide a means whereby employers can hold agencies to account for their part in meeting labour market needs. We welcome the invitation to collaborate with DCLG, DWP and DfES in working through the implications and issues involved in this.

10.2 Local Work and Skills **boards will assume collective responsibility for the delivery of locally agreed employment and skills targets and will ensure that these are consistent with the target setting processes and national policy commitments of JCP and LSC.** Similarly they will be responsible for the deployment of pooled funding and the achievement of the hard targets associated with this. Each board will report regularly on its performance and that of its partners to its LSP and the South Yorkshire Consortium Executive.

10.3 The local boards and the overarching sub-regional executive **will be integrated into existing regional structures to ensure that their strategy, activity and targets remain consistent with and support those of LSC, JCP, Yorkshire Forward and the Northern Way. It will do this both through the reorganised Regional Skills Partnership** and by supporting the coordinating function of LSC and JCP in relation to employment and skills strategies in participating local authority areas. The Sheffield, Leeds and Hull city-regions have been instrumental in working together and with LSC, JCP and Yorkshire Forward to agree the necessary structures. The table below set outs the agreed structure and responsibilities:

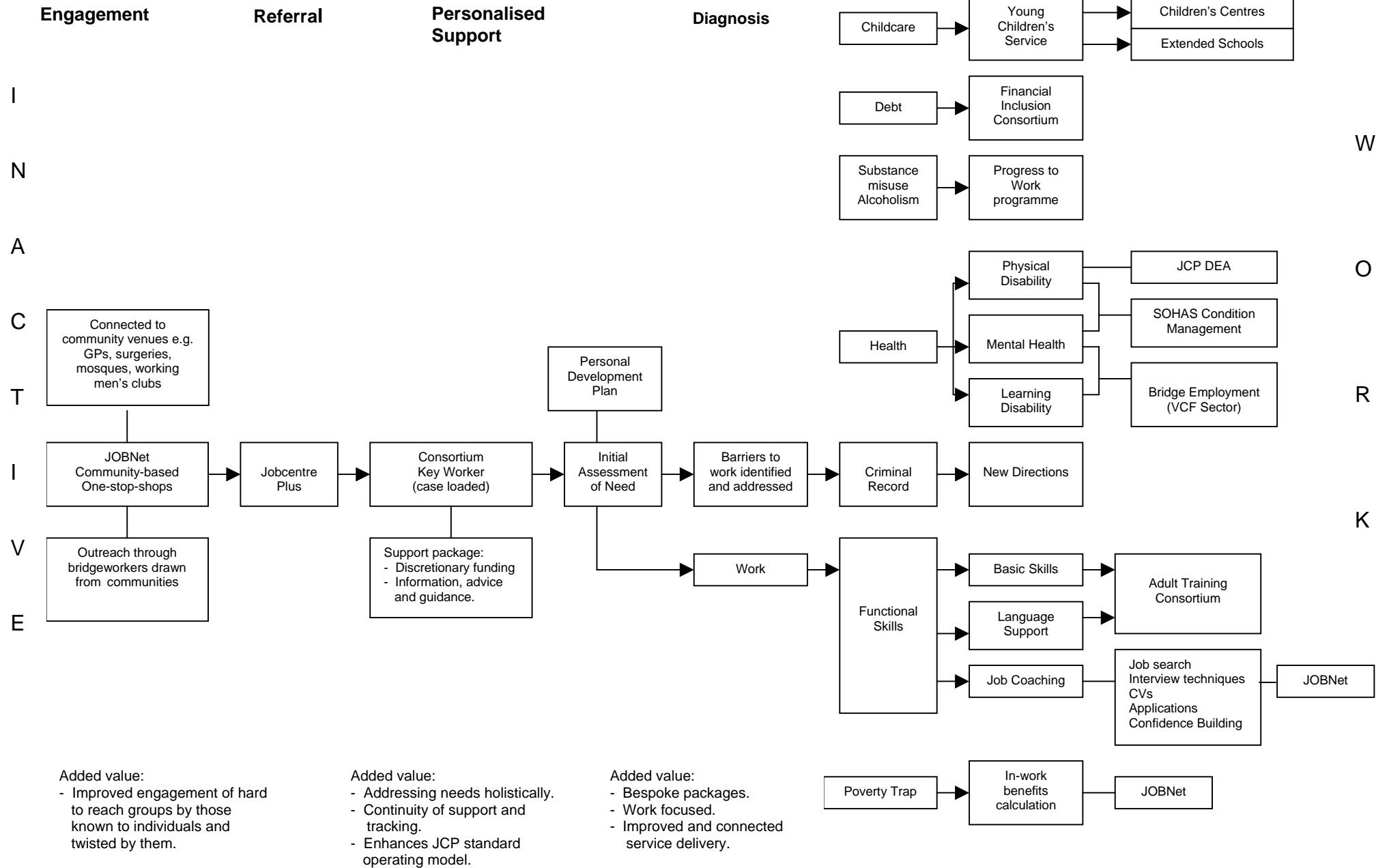
Level	Structure	Function
Region	Regional Skills Partnership	<ul style="list-style-type: none"> • Determines regional employment & skills strategy • Leads on planning of higher level skills development
City-region	City-region Partnership overseen by LA Leaders & Chief Executives	<ul style="list-style-type: none"> • Agrees, in a travel to work area, employment, lower level skills and workforce development needs and targets • Coordinates and connects activity of town and city work & skills boards in the travel to work area
Sub-region	South Yorkshire Employment Consortium Executive	<ul style="list-style-type: none"> • Oversees plans and performance of local Work & Skills boards • Ensures adherence to common principles, targets and delivery framework
Local Authority	Work and Skills board – a contributory board of the LSP	<ul style="list-style-type: none"> • Secures employer commitment to local jobs & skills strategies • Sets local objectives, targets & timescales in a three-year implementation plan • Agrees an associated resource plan for relevant funding accruing to the LA area

Appendix 1



Appendix 2

Skilled in Sheffield: meeting needs, progressing to work



Appendix 3a

Skilled in Sheffield: meeting needs, progressing to work

