

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@dwpgsi.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:	Our City Region – including local authority areas of Birmingham, Black Country (Dudley, Sandwell, Walsall and Wolverhampton) Coventry, Solihull and Telford.

What geographical focus do you propose for your consortium? Why is this the most appropriate focus? Please attach a list of wards covered.				
<p>We have identified a total of 55 target wards from across Our City Region as the focus for the City Strategy Initiative. The rationale for selection of these wards is:</p> <ol style="list-style-type: none"> 1. Those wards with over half their SOAs who have worklessness levels a third or more above Our City region average 2. Those SOAs with worklessness levels a third or more above the City Region average which also have at least half the ward's working age population within them 3. All City Region Deprived Area Fund (DAF) wards are also included. These wards are outlined in the table below. This adds up to a total of 55 wards or the priority SOAs within them. This represents a total 479,617 individuals which accounts for 30.8% of Our City Region population. <p>This focus will allow us to:</p> <ul style="list-style-type: none"> • tackle significant and stubborn areas of worklessness and link these to wider strategies in tackling social exclusion especially inter-generational and child poverty; • ensure more integration of service delivery to deprived communities especially across health, housing and employment; and • ensure alignment with the wider objectives of individual Local Area Agreements (LAAs) and local Community Strategies. 				
Birmingham	Solihull	Coventry	Black Country	Telford
Aston**	Chelmsley Wood**	Foleshill**	Castle and Priory*	Donnington*

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

* wards identified through SOA analysis

** wards identified through SOA analysis which are also DAF wards

*** DAF wards which were not identified through SOA analysis

While ward identification is used to assist with analysis it is the intention that the City Strategy will focus overwhelmingly on all of those people who are on working age benefits, in particular those claiming Incapacity Benefit (IB), lone parents and people from BME communities and inactive groups outside the Benefits' System.

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

Key headlines with regard to the labour market and skills demand context are outlined below, with a more detailed report included as Appendix A.

Labour Demand

There has been a distinct shift in the types of employment within our City Region. Whilst there is still a heavy reliance on the manufacturing industries for employment amongst the male population, the last 5 years have seen a steady decline in this sector against growth in service industries such as retail, catering, distribution and the health sector.

There will be a need for 350,000 new recruits to the labour market by 2015 – 80% of these jobs will be by way of replacement demand.

The key growth sectors will be:

- Professional/Business Services with 50,000 additional jobs
- Health & Care with 25,000 additional jobs
- Retail, Wholesale and Distribution with 20,000 additional jobs

There will also be a major shift in the occupational and skills mix with:

- 90,000 more managerial, professional and specialist technical jobs
- 75,000 less routine unskilled jobs.

In terms of future skills demand there is projected to be a greater demand for higher level skills and a lower demand for people with no qualifications, by 2015:

- 35% growth in jobs requiring Level 3 and 4 qualifications
- 40% reduction in the number of jobs requiring no qualifications

Even for those in work, the need for basic skills and qualifications is becoming increasingly more important as the demand for skilled labour grows and there is a commensurate decline in unskilled jobs. There growing demand for associate, professional and technical skills at Level 3 and above is particular pertinent for knowledge based industries and growth sectors supported by the 3 high technology corridors based in the City Region area.

There are now more employers in Our City Region (27% compared to 23% nationally) who are facing a skills shortage, these accounts for over a quarter of City Region employers. The highest proportions of vacancies unfilled for 6 months or more tend to be in personal service occupations, sales and customer services occupations and in skilled trades and professional occupations.

Labour Supply

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

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

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

Similarly there will be:

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

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

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

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

The City Region has seen a fall in unemployment to 5% reflecting the improvement in economic activity in the UK over the last ten years. However, there are pockets of long-term unemployment where over 20% are without work. In these areas, three successive generations of families have not found work. 25.9% of the population of Our City Region are economically inactive compared to 22.6% for England and Wales, our target wards

have an average economic inactivity rate of 32%. There are higher proportions of both Jobseekers Allowance and Incapacity Benefit claimants in Out City Region than in England and Wales as a whole.

Unemployment and inactivity rates are highest in the deprived urban areas and among groups such as older people and BME communities. There are also significant numbers of young people not in employment, education or training.

There is an overwhelming correlation between low or no skills, economic inactivity and where people live.

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

Within our 55 target wards there is a disproportionately high proportion of ethnic minority population and a much younger population

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

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

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

Summary

The biggest challenge in the labour market will be the combination of rising skill demand and the changing demographic profile. All this points to a need for an integrated employment and skills strategy.

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

Worklessness

Worklessness can be defined in different ways. It is a broader concept than traditional measures of unemployment: it also includes those who are not in employment and are not at present actively seeking work. It includes those claiming key worklessness benefits such as JSA, Incapacity Benefit and Severe Disablement Allowance and Income Support.

Claimant Information

Rates of worklessness within the Region and Our City Region are highest in the target wards/SOAs and among groups such as lone parents, IB claimants, young unemployed, older people and BME communities.

The target wards/SOAs identified as priorities for our City Strategy account for 31% of Our City Region's population (479,617) and 40% of its workless. The BME population is concentrated in the target wards/SOAs - this population has a disproportionate youth population.

Within Our City Region a higher proportion of JSA claimants are aged under 25 (31.2%) than nationally (19.9%). Nearly half of all JSA claimants in Our City Region have been claiming for over 6 months compared to only 35.8% nationally signifying significant levels of long-term unemployment.

A total of 34% of the working age population in the target wards are claiming non-JSA benefits. This is significant when compared to Our City Region and national claimant rates. Of these claimants:

- 14.2% are lone parents
- 19.7% are income support (exc lone parents)
- 41.8% are sick and disabled
- 24.3% are unemployed.

Characteristics of Claimants

In terms of Incapacity Benefit (IB) claimants a much higher proportion are aged over 50 than found in the working population (46.4% compared to 23.1%). There are significantly more male IB claimants than female. Over two thirds of IB claimants have been claiming for over 3 years.

Within the target wards 8.3% of the working age population are claiming unemployment benefits. Of those who are unemployed there are again slightly higher proportions of under 25s and a higher proportion of males. In looking at the ethnic profile of those who are unemployed in Our City Region the proportion is very high compared to the proportion of the working age population that they constitute (28.5%) compared to 19.3%. This is across all groups.

The claimant rate for sick and disability benefits within the target wards is 14.2%. In terms of these individuals there are again more men than women and much higher proportions over 50. The proportion of the white population who fall into this group is higher than the proportion of the working age population that they constitute (82.5% compared to 80.7%).

When comparing data on employment rate to ethnicity (<http://asp.ccsr.ac.uk/dwp/>) this supports the hypothesis that people from BME communities are more likely to be out of work. This particularly relates to those of Pakistani, Bangladeshi, African and Caribbean ethnic origin.

Focus

Given this information and our commitment to tackling concentrations of worklessness we will focus our efforts within the target wards/SOAs. The population within these wards only account for 25.8% of Our City Region's employed individuals. These areas have been identified (as outlined above) as those with the most significant concentrations of worklessness.

Within the target wards/SOAs we will focus on the following groups:

- BME communities
- Lone Parents
- Incapacity Benefit claimants/sick and disabled
- Older people
- Young unemployed.

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

- Jobcentre Plus
- Learning and Skills Council
- Local Authorities: Birmingham, Black Country (Dudley, Sandwell, Walsall and Wolverhampton), Coventry, Solihull and Telford
- Employers – public and private (including Chambers of Commerce and the Local Employment Boards supporting employment and skills)
- Private sector employment services providers
- Networks of voluntary and community sector intermediaries and providers (eg. Established Access to Employment networks in Birmingham and Solihull involving over 150 voluntary/community organisations)

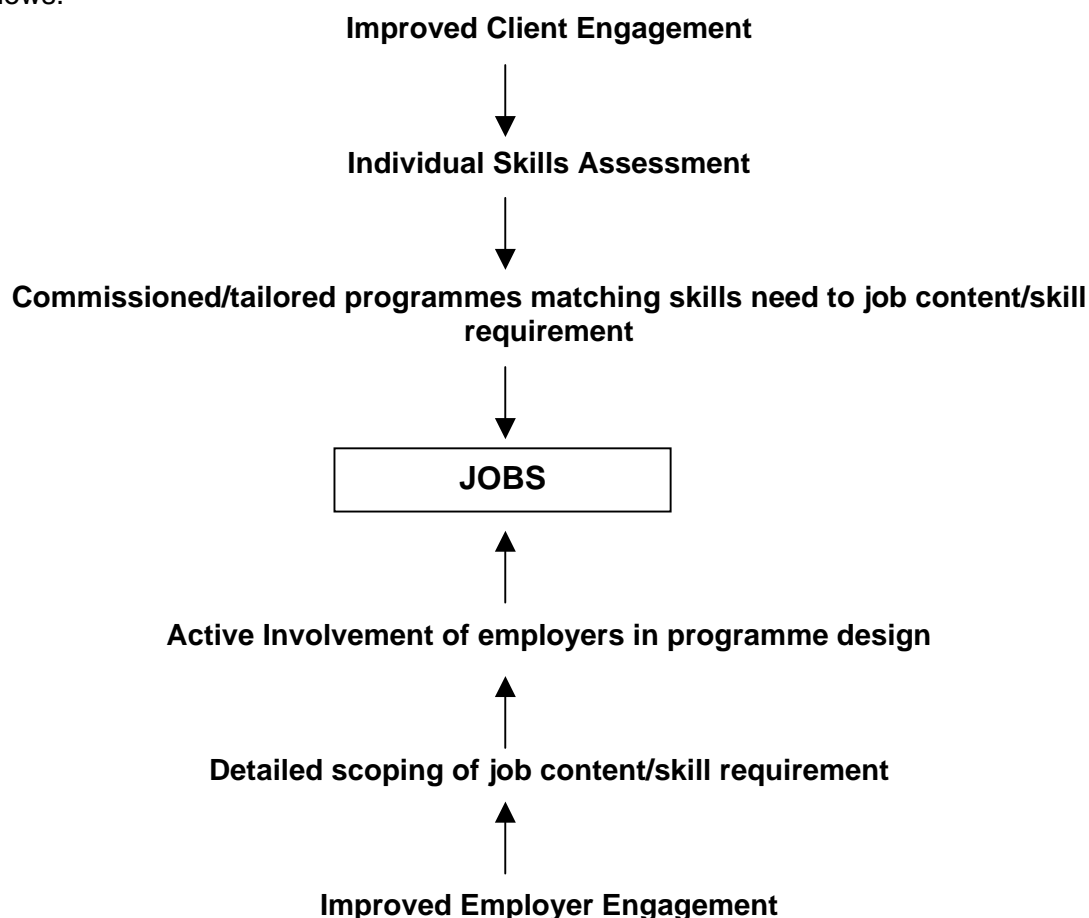
How will your consortium integrate the efforts of all partners behind chosen priorities? What will change as a result?

Our overriding objective is to close the gap between Our City Region employment rate and that of the target wards/SOAs, bringing over 50,000 people from the most disadvantaged groups and communities back into work.

We will:

- bring about radical changes to the delivery of employment and skills creating an integrated system matching the job and skills requirements of employers and equipping individuals with the skills and capabilities to secure and sustain employment and progress in their careers
- exponentially enhance the quality, scale and range of services available to the most disadvantaged groups, in particular those claiming Incapacity Benefit, lone parents, BME communities and inactive groups outside the Benefit System
- integrate mainstream Jobcentre Plus and local authority services in the employment support field with voluntary/community provision and the work of private sector delivery partners
- place employers and employer leadership at the heart of our delivery strategy promoting diversity as an economic and business imperative
- create a Joint Investment Plan aligning and integrating funding and resources across all public agencies, the voluntary and community sector and private sector delivery partners
- learn from the "Pathways" pilots anticipating their integration by early application of good practice

Neighbourhood (Ward/SOA) action plans will be key to linking improvements to mainstream services to the areas, communities and groups in most need. Our outline approach to improving the way people are helped to gain employment and skills is as follows.



The key elements of this integrated approach are:

CLIENT ENGAGEMENT

- We will work with local groups to establish **Neighbourhood (Ward/SOA) action plans**. These Plans will cover the target wards and SOAs within them that are outlined above. The plans will co-ordinate all skills and employment programmes and services and connect outreach and community programmes to mainstream services. This will create clear coherent pathways into mainstream services and on into employment.
- The Plans will identify **client profiles and client targeting** (especially those non-JSA groups to be targeted). They will include a **voluntary/community sector delivery plan, integrated mainstream services** and lead to the development of **individual and voluntary/community sector provider plans** for the targeting of key client groups.
- Plans will **review provision of outreach and community programmes** to design and develop tailored, integrated provision to meet the needs of priority groups and neighbourhoods.
- We will **integrate LSC skills assessment into core employment services** so that skills gaps are identified and addressed through pre- and post-employment training.
- Within the Plans **Information, Advice and Guidance services will be reviewed**

to ensure that all priority neighbourhoods areas and priority have a guaranteed entitlement to minimum standards of service.

- We will raise awareness of **enterprise/self-employment** by developing and strengthening links with LEGI initiatives and to Advantage West Midland enterprise brokerage.
- We will **strengthen joint LA/JCP management** bringing greater clarity and focus to existing arrangements at neighbourhood and ward levels to support the voluntary/community sector. This will mean that partners align resources and expertise to market vacancies, assess recruitment and skills needs and develop bespoke packages to match employers' needs. For example we will look to moving more Lone Parents into more sustainable jobs which will enable them to access Tax Credits and move off benefits.
- The **Neighbourhood (Ward/SOA) action plans will align local resources with those of all major providers**. Through the action plan clearer referral, progression routes and interfaces between local and mainstream organisations will be ensured. Plans will set out local arrangements for tracking the progress of individuals through support provision into work.
- We would like to engage more closely with GPs and encourage them to develop 'prescriptions for work' where their diagnosis reveals work related issues. We would position Advisers in surgeries and ensure the GP's recommendations were supported by all agencies and voluntary sector organisations.
- We will forge working arrangements with HMRC to identify low income and single income families claiming Working Families Tax Credits. This means that we will be able to target households where we can have a beneficial impact on reducing child poverty and general disadvantage.
- We will work with Credit Unions and other voluntary sector financial advisers and Local Authority debt advisers to remove the burden of debt that workless families often face.
- We will set up a new project which will draw on the experience of Employment Zones whereby IB recipients are supported in finding a job and their benefit is administered by the provider.

EMPLOYER ENGAGEMENT

- We will establish four **City Region Employer Boards** (Birmingham and Solihull, the Black Country, Coventry and Telford) to oversee the engagement between employers and the City Region's employment and training agencies. Boards will comprise acknowledge leaders from each economic sector and will be the key vehicle through which we will co-ordinate all our employer engagement activities and ensure employer ownership and buy in.
- The Boards will: endorse and support a **joint investment and delivery plan; mobilise employers in their respective sectors to provide job opportunities** for the target client groups; and **promote diversity** as a business imperative together with **fair and effective recruitment and employment practice** by individual business.
- The Chairs of these 4 boards will come together to form an **Employer Executive Board** with JCP, the LSC and Local Authorities. This will be chaired by the portfolio holder of the employment and skills remit on the City Region Board to ensure full

integration into the wider City Region Development Plan and clear accountability to the City Region Board.

- The Boards will **involve and strengthen links with established Sector** networks to develop plans for communicating more effectively with businesses, especially those in growth sectors. We will work closely with Sector Skills Council's and use the Sector Skills Agreements to inform our sector approaches and provision planning and delivery. We will work to develop **Sector Jobs Plans** and seek alignment across the City Region through common performance criteria.
- Improved arrangements for engaging employers will help services to provide tailored support that helps individuals to meet an employer's requirements. Employers will be offered reassurance about the employment prospects of an individual through the provision of suitable services or support – for example, further training through **Train to Gain**.
- We will extend current initiatives such as Partners as Employers (Coventry) and the Birmingham/Solihull Public Service Compact to the whole City Region. This will give clear commitment **to baselining their employment rates in the most disadvantaged wards and set clear targets for substantial increase in recruitment from those areas**, with public service apprenticeships being a key part of the package.
- We will ensure that Local authorities track all major development projects and support the development of “**Employment Hubs**” which will see partners pooling resources and expertise with dedicated teams set up to market vacancies, assess recruitment and skills needs and develop bespoke packages to match employer's needs.
- We will develop a **protocol on vacancies/employer data** across all partners, including private sector employment service providers (eg Pertemps Employment Alliance) which will **align and integrate these with JCP vacancy services**. We will also integrate recruitment services into the new business support model.
- We will undertake more intensive work to integrate Business Support, JCP and Skills Brokerage.

INTEGRATED EMPLOYMENT AND SKILLS DELIVERY PLAN

- There will be a **common client entitlement** introduced across Our City Region.
- A **single employment support and skills assessment** will be placed at the heart of this entitlement. This will involve a **one to one assessment** integrated into employment support. This will assess skills, beyond the level of qualifications, in terms of work and life experiences and lead to the development of a **Skills Assessment plan** that will clearly articulate the skills an individual has and what gaps will require addressing to ensure they are able secure employment. This will inform the **development of bespoke programmes** matched to specific jobs. Under this model JCP will promote achievement of a level 2 qualification pre and post employment for those who do not have this.
- Clients will be **incentivised** and fully supported to undertake training on bespoke programmes. An individual client plan will be drawn up which will **identify any personal barriers**, such as travel or childcare issues and offer support, financial or otherwise to ensure they are addressed.
- Training offers will be aligned to a client's benefit entitlements to enhance their ability to remain on and complete the training identified.

- We will **review the barriers to employment** and develop appropriate supports, including help with travel costs and creation of Pilot initiatives to improve links with health services to support people with long-term medical conditions.
- Local authorities will inform **Neighbourhood (Ward/SOA) action plans** on the local availability of childcare and options for expanding it and local medical practitioners will have a clear link into this process. Self-employment will be included as an option in the skills assessment leading to improved access to training and support with business development.
- There will be a unique **single employer offer** throughout Our City Region
- A core offer of free training will be available to support individual's to achieve a first level 2 or improve their basic skills through the new national **Train to Gain** workforce development training programme. The programme will provide people with a clear career development pathway and therefore greater prospects of sustaining employment.
- **Training provision will be reviewed** so that more emphasis can be placed on progression and work-focused skills when commissioning from providers.
- Improve the collection, analysis and use of data to develop a rigorous assessment of the skills and employment needs of Our City Region and to monitor and manage performance. This will include development of an **annual joint skills and employment delivery plan** for Our City Region.
- We will develop a **Joint Investment Plan** which will establish ambitious performance targets for upskilling and recruitment of the economically inactive in the target areas across the City Region and target groups within them. This will include joint commissioning and procurement of employment services by JCP and the LSC from private sector or other external providers. From our initial work in preparing this Expression of Interest we have identified **an indicative budget of £30 million p.a. of dedicated resources over the first two years** to deliver this Plan.
- Services will be managed at the City Region level; will build "bottom-up" on current successes; and take account of the priorities identified through Local Strategic Partnerships and LAAs.
- Within the **Joint Investment Plan** we will seek to **align and integrate key funding streams** which are currently targeted on employment and skills into a single pot which will be utilised in taking forward our City Region Strategy, including: Neighbourhood Renewal Fund; Deprived Areas Fund; Cities "seed-corn" fund; City Region ESF co-financing plan; Train to Gain; Private Sector JCP providers; mainstream FE/training budgets; and Fair Cities.
- Information about local need and gaps in service provision emerging through the **Neighbourhood (Ward/SOA) action plans** will inform the development of detailed and tailored service specifications for the delivery of bespoke programmes through mainstream and specific project funding.

FREEDOMS AND FLEXIBILITIES

Central to our proposals is a recognition that the lack of integration and inadequate resourcing or targeting of disadvantaged groups represent the greatest barriers to addressing their needs.

- For our key client groups, those outside the JSA system, **we will map eligibility** for support of individual target groups to improve or enhance the services available. For

example for IB claimants we will link the “Permitted Work Rule” to the Level 2 training entitlement in “Train to Gain” both to incentivise employers and to motivate individuals to return to employment on a permanent basis by providing a clear career development route.

- Evidence from our delivery partner, Pertemps, from the Employment Zone strongly suggests that combining the management of benefit payments with the management of support to the long-term unemployed has had a major impact on individual motivation and on increasing the number of people gaining employment. We would wish to explore similar benefit transfer arrangements with other client groups (eg lone parents).
- We will develop a proposal to expand the **Adult Learning Option** across Our City Region.
- We will maximise the use of incentives to provide a “bridge” into employment including
 - **extending and enhancing work trials** across the target client groups.
 - applying lessons from the “**Workwise**” initiative and the successful Rover travel subsidy scheme providing incentives to overcome transport barriers when these restrict access to jobs.
- We will learn key lessons from the success the **Pathways** initiatives. We will seek to work more closely with primary health care providers, especially GPs, in supporting target individuals pre and post employment. **Condition Management** will be central to this approach.
- We would propose making best use of the first year DAF funding by utilising existing Action Teams, both that delivered by JCP and by Pertemps. An option is to use the existing Action Team staff for this period so that we can deliver from 1st October 06. We would refocus the Action Teams in line with our proposed City Strategy model to meet the needs of our identified target wards/SOAs and target groups. This would allow us to continue to deliver high quality outreach services for the 6-month period of October 06 to March 07, whilst also allowing for us to agree and implement the most appropriate delivery option, building on the good practice which has taken place - **added following discussion with Margaret.**

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

The current loss of housing benefit beyond the current 4 week maximum extension is a barrier to employment for the target groups we have identified. Housing benefit reinforces the 'poverty trap' through the withdrawal of benefit as other income rises. This 'taxes' away most of the additional income from employment and is inconsistent with the Government's over-riding objective of making sure that 'work pays'.

Proposal

To support and encourage target individuals into work we would seek to pilot the extension of housing benefit to a 12 week maximum. We could also examine a short term provision of a housing tax credit based on average local rents, differentiating between private, housing association and local authority tenants.

Barrier 2

We have already learnt much from the innovative approaches which have been developed by private sector providers (eg Employment Zones; Working Neighbourhoods).

However, nationally developed procurement and commissioning process does not fully allow for the local context to be set and local needs to be fully addressed.

Proposal

Commissioning and procurement should be done at a City region level. This could be done on a joint basis thus supporting the development of the Integrated Employment and Skills Delivery Plan that we are proposing. It would also ensure that providers will develop programmes which are specifically in response to local needs and circumstances.

Barrier 3

In planning and implementing better services for the "hardest-to-help" groups, especially lone parents and single earner families on low incomes, Tax credits form a critical element of their income. In the absence of shared data with HMRC, it is difficult to establish their baseline needs and identify interventions to move them out of poverty and dependency.

Proposal

We would intend to establish a pilot data sharing/transfer project looking at the impact/of changes in employment status on individuals' tax status and family income and exploring the links could be strengthened to enhance the prospects of sustainable employment and movement out of benefit dependency.

Barrier 4

JSA claimants are currently not allowed to participate in employment/training programmes for more 16 hours per week. Given the large numbers of Accession Country in-migrants to Our City Region who are registering for entry level work we could see a displacement of existing low skilled workers and an increasing of the JSA rate.

Proposal – The extension of training/learning from 16 hours would comprise additional intensive Jobsearch activities (mock interviews/interview preparation/job application/C.V compilation etc) embedded into this provision. Provision would be targeted on clearly defined and agreed priority growth sectors with an evidenced labour demand and in conjunction with sourced vacancies, thereby improving progression rates whilst enhancing employer engagement.

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

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?

Our overriding objective is to close the gap between Our City Region employment rate and that of the priority wards/SOAs, bringing **51,300¹** people into work.

Skills and Worklessness

By 2011 we aim to improve the skills of those people currently workless to secure them sustainable employment and career progression into more skilled/senior positions by

- halving the unemployment/inactivity gap between the priority wards/SOAs and the rest of Our City Region bringing **25,600²** people into employment.
- enabling 100,000 people to achieve first Level 2 qualifications in work
- addressing the basic skills needs of 150,000 working age people
- increasing by 50,000, the number of adults with a Level 3 qualification

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

The **Neighbourhood (Ward/SOA) Action Plan** will set out annual targets for activity in line with our overarching target set out above. The **action plan** will also identify where specific steps need to be taken to achieve the targets – for example, improving job prospects through the provision of bespoke training.

Neighbourhood (Ward/SOA) Action Plans will be a contractual and performance

¹ We have used the employment rate measure as a proxy indicator; the information source used is Census 2001. The reason for this is that this is the most statistically robust information that we have available at ward/SOA level with which to make the necessary comparisons.

² *ibid.*

framework for the relevant local group and individual delivery organisations within the priority areas. Plans will be expected to ensure that linkages across ward boundaries can be picked up. Action plans, and performance against them will be **reviewed annually** through a **City Region wide Annual review**. We will determine key **milestones** which we will monitor progress against on a regular basis.

Increases in the employment rate should reduce the number of people claiming the main worklessness benefits of Job Seekers Allowance, Incapacity Benefit and Severe Disablement Allowance, and Income Support. Therefore, we will track changes in the numbers in the priority areas claiming these benefits to assess performance.

The reason for this being that public services are in contact with claimants and can therefore focus on helping individuals to overcome the barriers that prevent them from working. In addition, data about claimants can be more easily monitored than annual surveys of employment rates, enabling us to target City Strategy interventions and manage performance more effectively.

However, there is no direct correlation between the employment rate and the numbers claiming worklessness benefits – in fact the proportion of the population not in work is roughly 50 per cent higher than the proportion claiming these benefits. However, if we assume that this relationship stays fixed, then a 3 per cent rise in the employment rate might be equivalent to a 2 per cent reduction in the proportion on worklessness benefits.

An increase in the average employment rate of the priority wards/SOAs to 60.95%, as set out above, might correspond to a fall to 3.56% in the proportion claiming worklessness benefits by 2011, assuming no change in underlying economic conditions. This is roughly equivalent to 17,031 people moving from benefits to employment by 2011.

If we were to exceed this target and close the gap in the employment rate this would lead to an average employment rate of 66.3%, corresponding to 7.13% fall in the proportion claiming worklessness benefits, which is equivalent from moving 34,153 people from benefits to employment.

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?

Our City Strategy initiative is founded in the key principles that it will:

- Build on existing structures/working arrangements
- Operate within the wider context of Local Area Agreements and add value to LAA targets
- Is central to our wider strategy for Our City Region
- Create an integrated employment and skills system building on, linking and co-ordinating all current activity
- Integrating employment and skills with other policy areas including housing and health (N.B. We have already embarked upon detailed discussions with one of the major Housing Market Renewal Areas on how we best integrate our work into their delivery plan. Similar discussions have begun with the Chief Executive of the new regional Strategic Health Authority.)
- Embed good practice into system wide change.

In setting specific targets we will ensure these are consistent with the LAAs and our City

Region Area Agreement (CRAA).

Our City Strategy is based on a clear rationale of improving links between need and opportunity to maximise job opportunities for disadvantage groups across Our City Region. In doing this we will develop a new approach to employer engagement founded on a single employer offer. This will build on current work undertaken through Local Strategic Partnerships, Chambers of Commerce, Fair Cities and Sector Skills Councils.

Our approach will remove duplication and competition in the provision of services and ensure a common client entitlement pre and post employment. Through the City Strategy we will develop a single strategy for the commissioning of programmes and services which will add value by ensuring strategies are developed more fully in response to local needs and issues. We will also add value through the strategy by integrating and aligning funds targeted at worklessness, including existing Area Based Initiatives.

The City Strategy will strengthen existing local structures such as neighbourhood management by integrating mainstream and community/voluntary sector services and enhancing JCP services for non-JSA clients.

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?

We will develop four City Region **Employer Boards**:

- Birmingham and Solihull – building on the current Fair Cities Board
- The Black Country – building on the Black Country Consortium and Chamber of Commerce
- Coventry – building on the Local Strategic Partnership and Chamber of Commerce.
- Telford – building on the Local Strategic Partnership and Chamber of Commerce.

The **Employer Boards** will build on current local structures, will be non-executive and will have an operational role around employer engagement. These Boards will provide leadership city region wide on employer engagement and will be consulted on the **annual joint skills and employment delivery plan** and **joint investment plan**.

The Chairs of these 4 Employer Boards will come together with JCP, the LSC and City Region LAs to form a **City Region Executive Group** which will have overall responsibility for co-ordination programme design and resource planning. This will be chaired by the portfolio holder of the employment and skills remit on the City Region board.

The **City Strategy** will form a key element of the employment and skills theme of Our **City Region Development Plan** which is directed by **Our City Region Executive Board**.

We will also put in place **joint local JCP/LA/LSC Management Groups** to take the City Strategy forward which will link with LSPs.

At a priority area level we will utilise and build on the strength of existing local structures/groups to establish **Neighbourhood (ward/SOA) Action Plans**, working closely with established voluntary/community sector networks.