

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:

Glasgow

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

The most recent available data (November 2005) suggest that Glasgow has around 101,000 working age people on DWP benefits. Over the last five years the numbers have dropped by approximately 14,000 (12%) but this ranges from a fall of 11% for those on Incapacity Benefit (IB) through to 27% for people on Jobseekers Allowance (JSA).

77% of these claimants live in the 50 wards in Glasgow falling into the worst 15% of areas across the country as a whole. The concern in the Consortium is that with such substantial numbers in the client groups included in the scope for the city strategy, particularly in the initial 2-year period, it will be difficult to make significant in-roads across all 50 wards. In consequence the Consortium proposes to adopt the following broad approach.

- There will be a range of flexibilities introduced (e.g. in relation to early entry to existing programmes) which will be made available to jobless clients – focussing on lone parents and the stock of IB claimants – across all 50 Wards.
- In terms of the more radical approaches (discussed later) to enhancing engagement, progression and sustainability through more effective co-ordination across agencies and providers, where issues such as culture change amongst frontline staff and the development of new systems come into play, the work on this will begin in two specific areas. These two areas will be chosen from the 10 Community Planning Partnership (CPP) areas in the city, focussing on those with the lowest employment rates.

Once effective new arrangements have been tried out successfully in these areas the intention will be to roll this out as quickly as possible to the other 50 wards in the city.

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

The City of Glasgow sits at the heart of a wider metropolitan labour market area with 935,000 jobs.

- Glasgow is a major employment node for this wider labour market area with 394,000 jobs, 42% of the metropolitan region as a whole.
- The openness of the metropolitan market is reflected by the fact that 47% of the jobs in Glasgow (155,000) are held by people living outside of the city and 19% of the city's residents (41,000) work beyond the city boundaries.

A key trend over the last 10 years has been a progressive tightening of all the sub-labour markets within the metropolitan economy. This means that reducing the joblessness rate and increasing the employment rate in Glasgow will not only help tackle child poverty and other key issues around social inclusion, but will release additional labour supply to help drive forward the metropolitan Glasgow economy.

The work of Futureskills Scotland is helpful in indicating those industries where labour demand will increase in the period to 2009, where these increases both reflect a mixture of net employment growth as well as the labour demands created by retirement and people moving out of these industries. Scaling the projected growth to the levels of Glasgow and the metropolitan Glasgow economy as a whole suggests the following job opportunities by industry.

- other business services (14,000 jobs in Glasgow and 34,000 in the metropolitan region as a whole);
- retail and distribution (14,000 and 32,000 jobs);
- health and social work (12,000 and 28,000 jobs);
- education (9,000 and 20,000 jobs);
- miscellaneous services (7,000 and 17,000 jobs); and
- hotels and catering (6,000 and 14,000 jobs).

In more traditional manual industries such as construction and manufacturing there will be 4,000 job openings in Glasgow alone.

Within and across these industries the structure of occupational demand is also changing. The forecasts are that in the period to 2009:

- employment requirements will grow in managerial, professional and technical occupations; and
- opportunities will shrink in traditional craft areas, clerical and semi-skilled and unskilled manual jobs.

This has significant consequences for the skills supply that needs to be generated in the Glasgow economy. Futureskills Scotland's projections on this are instructive.

- The decline in the number of jobs requiring no qualifications is projected at 43%

between 2004 and 2009.

- The decline in jobs requiring SVQ1 and SVQ2 qualifications are 13% and 5% respectively.
- There is a projected growth of 4% in jobs requiring SVQ3 qualifications and 21% for jobs requiring SVQ4 or higher.

Within this, employers place a strong emphasis on core, or 'soft', skills. This raises serious concerns in relation to Glasgow's workforce which is well prepared in one sense and badly prepared in another as it is highly polarised.

- The proportion of Glasgow's workforce with no qualifications is 23% - compared to 15% for the UK.
- The proportion of Glasgow's workforce with VQ4+ qualifications is 28% - compared to 26% for the UK.

It is therefore essential for the city to not only to increase its employment rate, but also to increase the skill levels in the workforce to meet these more stringent demands. Indeed it is fully recognised that unless the city's skill levels are improved substantially it will not prove possible to achieve sustainable increases in the employment rate for city residents. This requires continued action to raise attainment levels in the city's schools but also further growth in Scottish Enterprise's successful Modern Apprenticeships programme and higher quality, job-focused provision – targeted at the jobless - from the city's colleges.

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

In Glasgow, as in Scotland as a whole, one of the enduring problems has been the low employment rates of particular groups of disadvantaged people. The groups of the population with employment rates well below the average include the over 50s, disabled people, lone parents and members of some black and minority ethnic (BME) groups.

The evidence from the data for claimants on DWP benefits is that on the most recent figures available Glasgow has:

- 60,100 **sick and disabled** claimants;
- 14,200 **lone parents**;
- 14,200 **unemployed** claimants on JSA; and
- 12,900 other claimants in a range of different circumstances.

Of the DWP claimants, 32% (32,300 people) are **aged 50+**, and this rises to 41% for the sick and disabled on IB. Some 36% of dependent children live in Glasgow's workless households (OECD, 2006), many of which will be lone parent households.

In addition, analysis of the Annual Population Survey suggests that only 44% of Glasgow's **BME working age population** are in employment, although there are no statistics on the numbers claiming benefits. This employment rate compares to 67% for

the city's white population.

Although the NEET group (those not in education, employment or training) are not the primary focus of the DWP city strategy it is important in the Scottish context to place a high priority on reducing the numbers in this group. Success here would enhance the DWP city strategy by reducing the inflow of young clients onto benefits. The Scottish Executive's NEET strategy will help resource this element of work in Glasgow.

The kinds of issues these different groups of disadvantaged benefit claimants face are to some extent specific to their circumstances (e.g. where childcare is particularly important for lone parents, employer attitudes are a major barrier for disabled people, older people and members of BME groups) However there are a number of generic barriers that all groups confront in the city.

- Benefit traps are a significant issue across the board, where one of the critical factors is the concern about the time it might take to re-enter benefits such as IB were a job match not to be sustained, and the fear that the level of benefits enjoyed before will not be met.
- With relatively high rents for social housing in the city housing benefit adds significantly to the benefit trap.
- Debt overhang is a barrier to employment re-entry as creditors (including public agencies) appear quickly on the scene once a job has been started.
- The concentration of unemployment in particular neighbourhoods, including some neighbourhoods where there are high concentrations of BME unemployment, cuts people off from the more informal information sources which can help get people back into work.

In terms of the infrastructure currently in place to help jobless people, there are issues in two areas:

- Insufficient resources are committed to the early process of engaging people, and bringing them in to some form of regular activity which can help establish a platform from which they can move towards the labour market. At the other end of the spectrum only a limited resource is devoted to sustainability through effective aftercare, including provision for allowing people to upgrade their skills once in employment and so move in to better quality jobs.
- The volume and appropriateness of referrals from the initial stage of engagement through to the process of helping people in to work are insufficient to make significant in-roads into the joblessness problem in the city.

Given that the geographical focus, initially at least, will concentrate on two CPP areas, the Consortium feels that in these circumstances there is a duty to work across the full range of the most disadvantaged groups to promote their move into sustainable employment.

To be clear, the key groups will be:

- People in the existing **stock of IB clients**, as Pathways to Work will cater for the inflow;

- **lone parents**;
- the **over 50s**; and
- people from **BME** communities.

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

For several years key partners in the city have come together under the umbrella of the Welfare to Work Forum in order to co-ordinate services more effectively. The principal funders of employability services are members of the Forum:

- Glasgow City Council;
- Jobcentre Plus;
- Scottish Enterprise Glasgow.
- The Glasgow Community Planning Partnership (CPP).

In addition to these key funders, the Consortium will include:

- The NHS, which has become an increasingly significant player, and is a partner in Glasgow's innovative Equal Access Partnership which brings together the service delivery efforts in the areas of health, social work, economic development and employment.
- The Scottish Funding Council, which is a significant provider of resources which can assist the employability agenda through the funding it provides to Glasgow's colleges.
- Communities Scotland, which brings resources to promote literacy, the social economy, and has the overarching responsibility for the Community Regeneration Fund in Scotland.

The private sector will have a key role in the Consortium through:

- The Welfare to Work Forum, chaired by a leading member of Scotland's business community.
- The Glasgow Employer Coalition which is part of the National Employment Panel. It is well placed to further embed an employer demand led ethos to support the consortium to meet the needs of employers.
- Glasgow Chamber of Commerce

In relation to the voluntary sector and employers (public as well as private), the Consortium's view is that delivering the city strategy will require:

- a significant effort by voluntary sector and private providers of employability

services; and

- a major commitment on recruitment and training by private and public sector employers.

The partners in the Consortium will work hard to bring these providers to the centre of the stage in seeking to deliver the objectives of the city's strategy. Learning the lessons from the Employment Zones, which operated in the city, and in order to avoid potential confusion and conflicts of interest between providers and the management of the strategy, the Consortium sees the crucial part of this relationship in operational terms rather than in relation to the strategic management of the effort.

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

Based on a comprehensive review of employability services in the city, the Consortium will integrate the efforts of the partners around the following key areas:

- *Funding* – where the Consortium will agree a co-ordinated funding package to support activity for the areas and clients targeted;
- *Investment* – where the Consortium will use its existing knowledge of the labour market and provider capacity to improve the supply chain of delivery in three key areas – engagement with target groups, training and work experience and retention and progression in the labour market. A systematic mapping exercise has already been carried out, along with an attitudinal survey of frontline staff in key agencies.
- *Outputs* – where the Consortium will identify the key outputs in terms of numbers into jobs and the minimum length of time in a job, client and employer satisfaction levels with providers. This will drive provider behaviour to deliver results;
- *Measurement* – where the Consortium will develop a single assessment tool for clients and a tracking system to ensure the right behaviours amongst providers.

Although a significant part of the thrust behind the city strategy is about removing barriers and increasing flexibility through national agencies such as DWP, local players must look to how they can improve flexibilities in their service delivery, for example, in areas such as local authority childcare provision. The Consortium will be looking for early wins in this area.

In terms of the specifics of how service delivery will change a number of actions will be required.

- There will be an immediate fundamental review of funding to assess the extent to which changes in funding mechanisms and regimes are needed. This is likely to involve some re-distribution of funding towards initial engagement at one end of the employability spectrum and developing more effective aftercare services for people placed in to work at the other end of the spectrum.
- The review of funding will also be used to incentivise the changes in behaviour

required to significantly increase the movement of jobless people into work. Critical here will be incentives to move clients forward along a supply chain of employability services, at the same time removing incentives to hold clients into particular organisations or groups of organisations.

- An early action will be to secure the buy-in of the key public sector players to the culture change required among their middle management and frontline staff to support the drive to reduce joblessness. This buy-in will also extend to an enhanced effort by the public sector as employers in relation to significantly increasing their recruitment from the priority groups of jobless people. This will build on a number of important pilot actions such as the WiHIGG programme, developed with NHS Greater Glasgow. Glasgow City Council is now developing a similar approach for employing jobless people.

The Consortium is clear that both behaviour and performance needs to change and improve. What will change as a result of this process over the first two years of activity will be:

- The simplification of strategic and operational partnerships concerned with employability in the city;
- The behaviour of funders who will support longer-term investment in the supply chain in return for better performance;
- The behaviour and performance of providers who will focus on identified outputs
- A reduction in the number of organisations offering the same service to the same groups of people through a streamlining of provision;
- Greater investment in frontline services through sharing or reducing overheads and back office functions, and;
- Greater collaboration between the city's unique local economic development company network and Jobcentre Plus.

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 Consortium recognises that, at this juncture, they do not have a precise position on all the key national barriers to improve performance at the local level, but have identified a number of generic barriers and flexibilities which constrain effective local delivery, including the following:

- It would be helpful if DWP and other national bodies took local soundings before introducing 'top down' initiatives into particular localities.

Barrier 2

- National procurement processes place too little weight on local needs and local

intelligence in contracting arrangements for employability services. The consortium would seek discussions with DWP on the scope to introduce flexibilities in current contracting arrangements.

Barrier 3

- The problem of having to start making significant debt repayments at the point of job entry is both a disincentive to return to work and a major influence of the sustainability on any employment gain. Public sector creditors should be invited to delay their repayment demands or stage these in a less financially demanding way.

This shortlist gives a flavour of the type of changes required which can be delivered. At the bidding stage the Consortium would come forward with a much more comprehensive set of proposals, related to the client groups agreed with DWP.

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

The Consortium believes that it is important to keep in focus the longer term objective of an 80% employment rate. For the last full year for which reliable data are available, Glasgow's employment rate was 65.4%. In order to reach to 80% target the number of Glasgow's residents employed would have to increase by 54,000, assuming the working age population remains constant in numerical terms.

- There are clearly a number of influences on Glasgow's employment rate and to the extent that new households coming into the city are employed households, this will drive up the rate.
- Reducing the number of jobless people on DWP benefits will, of course, only improve the employment rate where a significant number of these people are moving from benefits to employment. Glasgow has a target endorsed by the Welfare to Work Forum as part of the Scottish Executive's 'Closing the Opportunity Gap' strategy to reduce the number of jobless people on DWP benefits by 35,000 by 2010. Good progress has been made since 2004, but it remains an ambitious target. Once met it will take Glasgow's employment rate to over 70%, itself a record for the city.

The Consortium feel that it is important to build on this existing target, and that this can be done in two ways:

- By accelerating the date at which the reduction of 35,000 is achieved – we will aim to reach the target by 2009;
- By building on this target and reaching a figure of 40,000 by 2010

In order to achieve these revised targets we estimate that the numbers flowing off of DWP benefits and into work in Glasgow will need to rise from the levels agreed for 2005/06 by;

- 5% in 2006/7;
- 10% in 2007/8;
- 15% in 2008/9.

These are only rough and ready magnitudes as a number of factors will influence the outflow and the subsequent impact on the stock of joblessness – not least the state of the labour market on the demand side.

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

The consortium will adopt a tracking system which will have two functions:

- A case management function which will collect personal data from the client plus information as to their barriers to employment, and their progress towards employability in order to avoid duplication for the client and agencies. This will also be used to match payments to providers to progress made by the client.
- A performance management tool which will show patterns of service delivery against actual need. This will include the segmentation of information as required by the consortium partners.

An implementation plan has been drafted and is currently close to agreement through the EAS programme and will be ready for the next phase of the bidding process.

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?

Glasgow Community Planning Partnership brings key public, private, community and voluntary representatives together with the aim of delivering better, more joined-up public services in the city. The Partnership has set out its vision for the City in its Community Plan which was published in its final form in February 2006. This is an overarching plan for Glasgow that demonstrates the links between local, city-wide and national priorities. Existing plans and strategies will contribute to the success of community planning in Glasgow. In particular, those areas that fall within the most deprived communities in the City will receive additional support through the Community Regeneration Fund. The community planning process will add value to service delivery by ensuring that these meet the needs of the communities that rely on them and that public resources are utilised effectively in that regard.

The Glasgow Community Planning Partnership operates on a citywide basis, ensuring that a strategic approach is taken to service delivery in the city. However, the partnership has also develop local community planning arrangements through 10 locally based partnership boards which bring together the key partners with communities to ensure that local needs are served appropriately and that local partnership working reflects and addresses both city and national priorities. These local partnerships are aligned within the Community Health and Care Partnerships to ensure that service provision is developed within boundaries which align across the key partners.

The Community Planning Partnership will be part of the Consortium to ensure that the

activities pursued are consistent with this strategic approach. Community Planning is about public services, but within this the partnership has a key role in terms of the city's regeneration and is responsible for developing and managing the city's Regeneration Outcome Agreement. The Community Plan focuses on five strategic themes; health, working, vibrant, safe and learning. Whilst this is a broad remit, the Partnership has agreed that the key drivers for the city are worklessness and addictions. Those issues which are related will be integrated into the activities of the consortium by focussing on the four themes outlined in an earlier question:

- Funding

The CPP is generally responsible for mainstream service budgets across all of the key partners in the city. In terms of additional resources these comprise of;

- The Community Regeneration Fund
- New Futures Fund
- The Key Fund

- Outputs

Direct outputs would include;

- An increase in employment and self employment
- Additional jobs

Indirect benefits would include;

- Improved health outcomes
- Increased quality of life
- Increased take up of employment and learning opportunities

- Measurement

The Community Planning Partnership evaluates monitors and reports to Communities Scotland and the Scottish Executive. Information from the initial bid will feed into these systems and processes.

- Investment

These funds are used as a catalyst to assist in the development of coherent and coordinated strategies as outlined above. The indirect benefits of the impact of increased employment will have significant effects on the outcomes required within the other themes of the Glasgow Community Plan.

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

The consortium takes the view that the governance arrangements must be informed by whatever is necessary to manage the programme effectively to meet the ambitious targets set in this EOI.

There are a number of options that can be adopted, based on existing institutional arrangements which have served the city well in this area. If, on further examination, these prove not to be fit for purpose, then a specific new entity will be created by the partners.

The options will be subjected to a comprehensive management review process as part of the full bid stage. Irrespective of the vehicle chosen, the Consortium believes that it is essential to have a dedicated programme management resource to ensure the effective delivery of the Consortium's aims and objectives against targets.