

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:	Greater Manchester Sub-Region

What geographical focus do you propose for your consortium? Why is this the most appropriate focus? Please attach a list of wards covered.
<p>Our proposal is to develop and deliver a City Strategy Consortium for the Greater Manchester (GM) sub-region, comprising the ten local authority districts of Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan. The Consortium will focus on the 58 wards in GM with the worst labour market conditions.</p> <p>While GM is producing thousands of new jobs per year these jobs are largely out of reach of workless communities. Despite rapid expansion of the economy and Gross Value Added (GVA) output growth exceeding the UK and North West (NW) averages, the employment rate in GM has stagnated with the patterns and pockets of severe worklessness remaining the same over the last 5 years. Jobcentre Plus data comparing Manchester's high job ratio and extremely low employment rate confirms this as a critical issue and one that needs tackling in Manchester more than anywhere else in the UK (see Annex 1).</p> <p>GM has been chosen as the best geography for the Consortium for the following reasons.</p> <ul style="list-style-type: none"> • It is a coherent economic area with a strong track record of collaborative working and with existing economic strategies (including Local Public Service Agreement and Local Area Agreement targets) in place as a consequence of robust sub-regional partnership arrangements for economic development. • It is the area that has been proposed for new governance arrangements under the New Deal for Towns Cities and Regions (NDTCR) – aligning the creation of a Consortium with the proposed Strategic Board for GM. • It provides a coterminous fit with the existing management boundaries for key partners including Jobcentre Plus, Learning and Skills Council (LSC) GM and

Chamber of Commerce, which will ease changes in decision making processes to align funding and commissioning arrangements under the Consortium.

- It is the appropriate level to build the competitiveness of the labour market by raising skills and employability thereby improving economic performance and productivity.
- It offers the opportunity to spread the benefits of new job opportunities and economic growth amongst disadvantaged neighbourhoods and communities.
- It presents the best geography within which to maximise strategic targeting of resource and activity while achieving the greatest economies of scale in administration and commissioning arrangements.

While the Consortium will operate across GM it will target those areas with the highest concentrations of worklessness. The four GM authorities invited by DWP to submit expressions of interest (Manchester, Salford, Oldham and Rochdale) are collaborating, with the full agreement and support of the remaining six GM authorities, to submit this single proposal. The areas with employment rates furthest away from the 80% target will be the Consortium's primary focus. A thorough analysis of available evidence shows that there are 58 wards across GM that have the worst labour market conditions. A listing of these wards and a map is provided (see Annex 2 and 3).

Collectively these 58 priority wards have a workless rate (the proportion of people claiming out of work benefits) of 27.7% which is higher than both the GM (18.6%) and national (14.3%) averages. It is also higher than any of the individual Local Authority rates. More specifically, 40% of GM's out of work benefit claimants are resident within these wards, 44% of the Job Seekers Allowance (JSA) claimants, 38% of Incapacity Benefit (IB) claimants and 48% of GM's Lone Parents. Over 80% of the Super Output Areas (SOAs) in this 'core area' are within the 20% most deprived nationally; and 16% in the 1% most deprived. The IMD Child Poverty index found one third of SOAs in these priority wards were in the worst 5% of neighbourhoods in England.

The delivery of the GM City Strategy will be undertaken in two phases. Phase 1 activity will predominately focus on the worst performing wards in the Manchester Central Jobcentre Plus district (Manchester, Salford, Trafford) building on Pathways to Work provision, the unique Stepping Stones IB project, good practice developed by Action Teams and the Northern Way IB pilot. A number of 'hot spots' from the priority wards elsewhere in GM will also be targeted where there is capacity to create momentum and deliver interventions. Phase 2 of the Consortium will take place from 2008 to correspond with the extension of Pathways to Work for the remainder of GM when the Consortium activity will be rolled out across the sub-region.

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

GM has a critical mass of economic activity, population, infrastructure and physical assets unrivalled in the UK outside London. It is the key economic driver for the NW as a whole and responsible for generating over 40% of the GVA output for the NW. The economic growth in the GM conurbation core has brought in more than £2bn of private investment and created 45,000 new jobs over the past ten years. This growth is set to continue with forecasts suggesting that the number of jobs will rise across GM by more than 200,000 between 2005 – 2021. GM is in a unique position of having a large and growing jobs base, and targeting activity on supporting residents on benefit into these jobs, provides the means to close the employment rate gap.

One of the key factors that drives economic performance and productivity growth in a successful economy is access to a highly skilled labour pool. GM will have a huge demand for skills over the next ten years at an intermediate and higher level because of the growth in the number of jobs available, restructuring, replacement demand and companies moving up the value chain. The sheer size and scope of this issue cannot be overstated.

The growth in employment demand will primarily be led by financial and professional services, retail and ICT/digital sectors, but more generally the occupations projected to grow fastest are those that already have the highest proportions of well-qualified people. The occupations expected to decline will tend to have a lower share of qualified people. Forecasts suggest the majority of these additional jobs will require NVQ Level 3 skills or above. In terms of replacement demand, forecasts indicate net employee replacement demand over the next three years will be in excess of 175,000 - with the largest volumes of opportunities in administration/clerical, management and sales occupations.

To meet the forecast labour demand we need to ensure considerably more people are available for work, and that they have the skills most needed by the economy. With nearly 250,000 of GM's working age residents unemployed and economically inactive this represents a huge untapped resource that is vital to the future success and sustainability of the economy. Given that the largest volumes of replacement demand opportunities will be in administration/clerical, management and sales occupations there is, and should continue to be, a stock of entry-level jobs that residents with no or few qualifications should be able to enter. The Jobcentre Plus vacancy planning tool already identifies the employment sectors that priority customer groups are most successful in accessing, more extensive use of this planning tool amongst the Consortium's partners will lead to improved targeting of employer vacancies and an increase in the number of vacancies available to priority groups.

The 2004 GM Employers Skills Survey identified approximately 7,500 skill shortage vacancies. Reported vacancies were primarily in aviation, education, engineering, food and drink, healthcare, manufacturing and retail sectors; with the main shortages being in the generic skills of communication, team working and problem-solving, along with specific occupational skills relevant to managerial and professional and skilled trades occupations. Again vacancies clearly exist within these occupations, so it is expected that improving the skills of workless residents in these areas will reduce skill shortages and contribute to an overall increase in the employment rate. Whilst there should not be a lack of jobs for our priority groups, managing the forecast decline in demand for elementary plant/machinery/trade occupations by retraining or upskilling residents in those sectors will be key to delivering an overall improvement in the employment rate, and an improvement in employment rates of many of the 58 wards identified above.

To ensure that employees are able to retain and progress through work, it is vital that the workforce continues to update its skills, and particularly in those sectors that are key to growth. GM will need to address the skills gaps that have been identified in education, financial services, healthcare, ICT/digital, logistics, public service and retail sectors, as well as reducing the aforementioned skills shortages. The forecast skills profile of all employment sectors to 2015 shows that the demand for Level 2 qualifications or below is reducing and that the number of residents in the workforce with an NVQ Level 3 qualification will need to increase by 83,000 and for those with NVQ Level 4 by 280,000.

The pressures of structural changes coupled with the high level of expansion and replacement demand will create a real challenge to the skills and employment support systems in GM. If that challenge is met by innovation and increased collaboration, it offers a significant opportunity to realise the vision of an 80% employment rate, as well as delivering the growth priorities identified through the Northern Way programme.

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

Deprived communities in GM are increasingly disconnected from the economy with persistent problems of low skills and large-scale worklessness. These factors have combined to diminish the aspirations of families and create areas where low-income levels undermine the viability of neighbourhoods and potentially constrain economic growth. Residents are less able to compete for jobs with higher skilled commuters travelling into GM alongside increasing numbers of international economic migrants flowing into entry-level employment in parts of GM.

The GM qualification profile for the economically inactive working age population lags behind the national averages at all levels. A particular issue is that 56% of the economically inactive working age population are not qualified to Level 2 and 37% have no qualifications at a time where the demand for Level 2 qualifications or below is reducing. This compares with national rates of 49% and 29% respectively. The Northwest Regional Economic Strategy (RES) identifies Manchester, Oldham, Salford and Tameside Local Authorities as having particularly acute problems in this respect. At the most extreme there are some wards in Manchester where over 50% of residents lack basic literacy and numeracy skills.

The 58 targeted wards within GM have an employment rate of 56.6% - the lowest of any of the core city areas nationally and 23.4% below the aspirational national target of 80%. Narrowing the gap in employment rates with the rest of the country and upskilling the workforce will support the delivery of DWP's agenda, the Leitch Review and the national competitiveness agenda. The Northern Way has identified GM as vital to bridging the output gap between the North and the rest of the UK and the Northwest RES has identified that £3 billion of the region's GVA gap is caused by fewer people working than the England average.

To address the key supply side issues the Consortium will target activity on those geographic areas with the highest levels of worklessness and will support the main benefit groups of IB/SDA, JSA and lone parents.

IB/SDA claimants make up by far the largest proportion of the workless population. A total of 61,985 residents in the 58 priority wards are claiming IB or SDA, and seven of the ten local authorities are ranked in the region's top ten in terms of the volume of IB case load.

There are over 17,000 **JSA** claimants in the 58 priority wards. The JSA rate has been rising over the last year, in part explained by a reduction in the amount of provision and support available to short-term JSA claimants. This has impacted on those areas with traditionally high concentrations of deprivation and benefit claimants. The increase in redundancies across GM over the last year has also boosted these figures. In addition, anecdotal evidence suggests that a considerable proportion of residents are accessing only short-term, insecure or seasonal employment which inevitably ends and forces a return to benefit. It is difficult to quantify the actual percentage of claimants that this affects, but we hope to be able to determine this through accessing DWP's longitudinal survey (see section on barriers).

Lone parents present a significant issue for the priority wards, with rates above the national average and a total of 19,859 resident in the 58 priority wards. Consortium activity will build on recent success in reducing lone parent worklessness, improving support services including childcare, and promoting flexible working practices. This includes the work undertaken by Jobcentre Plus and the Employer Coalition with employers and lone parent support organisations within the 'Work Works' initiative. With the high levels of child poverty in GM – 54 of GM SOAs are among the worst 1% of IMD indicators affecting children and Manchester has two and a half times the national rate of children living in workless households (at 35.9%) – this is a priority target group to break long term cycles of exclusion.

The Consortium's primary aim is to reduce the volume of residents on IB/SDA, JSA and lone parent IS benefits in the targeted wards. However, in order to deliver this the specific barriers to employment faced by the following groups will need to be addressed:

- **BME** – GM and the core of the conurbation in particular is a highly diverse and dynamic community. While there is a paucity of data on BME worklessness it is clear that employment rates are well below the national average (a low of 43.4% in Manchester) compounded by low skill levels particularly in English language and the discriminatory practices of some employers. According to the National Employer Panel, Manchester will need to support between 3,000 – 4,000 BME residents into work between now and 2013 to close the employment gap with the population as a whole.
- **Over 50** – the long term restructuring of the GM economy and the lack of support services available to the 50+ workers have combined to increase worklessness among older people. There are poor employment rates across GM, the lowest levels being in Manchester at 54%. A lack of current skills, competition for jobs and issues of health and caring responsibilities have created considerable barriers to employment for residents aged 50+.
- **People with no qualifications** – within an increasingly high skilled labour market a lack of skills and qualifications can be an insurmountable barrier to work. The majority of GM authorities lag behind the national employment rate for people with no qualifications, with Manchester in the poorest position with a rate of just 38.7% followed by Salford at 41.2%. Continued restructuring of, in particular, manufacturing, will result, without intervention, in rising levels of exclusion across GM.
- **Ex-offenders** – There are currently 25,000 ex-offenders under a community supervision order in GM according to Probation Service figures and 75% are not in employment. A significant proportion of these individuals (over 25%) are on IB. The learning, skills and employment needs of offenders are addressed via

Jobcentre Plus offender support services, LSC GM's Offender Learning and Skills Service (OLASS) and GM Employer Coalition's forthcoming 'Job Developer' pilot which involves working with employers to promote the engagement and recruitment of offenders. However, given the scale of the task, the Consortium may need to redirect additional resources to ensure that the specific employability issues of ex-offenders can be addressed at the appropriate scale.

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

To ensure successful delivery of the City Strategy, including progression towards our aspirational employment targets and a reduction in child poverty, we will build upon the existing, well established, sub-regional partnerships and infrastructures. This will be further enhanced by the governance arrangements and the creation of a Strategic Board for GM.

Representatives from the following organisations have come together to form the Consortium:

- The 10 **Local Authorities** and their **Local Strategic Partnerships** have all committed to sub-regional delivery of the City Strategy and as such, alignment of available discretionary resources e.g. NRF, LABGI and European funding.
- Building upon previous collaborative work, the **LSC Greater Manchester** and the two **Jobcentre Plus** Districts (GM Central and GM East and West), have been actively involved in the development of this expression of interest and are committed to the delivery of the City Strategy.
- **North West Development Agency** activities will be aligned with the City Strategy. Initially this will be the Northern Way Incapacity Benefit pilot project which is due to commence in GM Central from August 2006. The sub-regional partnership will ensure that future NWDA investment secured for the worklessness theme is integrated within the City Strategy framework.
- **Manchester Enterprises** as the sub-regional economic development agency leads on implementation of the RES within GM and additionally is indirectly responsible for inward investment within the conurbation.
- Local health partners including the **PCTs** and newly formed **Regional Strategic Health Authority** will be core contributors to the Consortium. Healthcare interventions are key to the 'delivery' section as all the Pathways to Work studies show that health is a primary factor affecting whether IB claimants enter or remain in work.
- **Greater Manchester Transport Executive (GMPTE)** will join the Consortium building on their work with Local Authorities to introduce a process of accessibility planning mapping access from areas of deprivation to areas of employment and education and planning improvements such as Bus Partnership frameworks.
- Businesses are an integral part of Consortium activities to ensure a demand-led approach is taken and employer needs are met. Employer organisations have taken an active lead in the development of this expression of interest and will remain key stakeholders in the delivery of the City Strategy. Employers have

worked through existing partnership organisations most notably the **Greater Manchester Employer Coalition Board** (the only employer forum focusing exclusively on getting those most disadvantaged from the labour market into sustainable jobs), the **Greater Manchester Chamber of Commerce** (especially through its Employment and Skills Sub-Group), **Manchester Enterprises** (private sector-led Board) and with the support of **Chamberlink** (the Business Link for GM). Employers within these groups will also provide the Consortium with the business leadership that will be critical to its success.

- To inform the development of the evidence base, the GM Employer Coalition will host a **provider** conference for all organisations involved in the delivery of employment-focused interventions. In addition to briefing providers about future Consortium proposals the conference will showcase good practice, collect further examples of innovation and provide the opportunity for employment and community practitioners to input into the design of the City Strategy business plan.
- Engaging effectively with people living in disadvantaged communities will be a critical factor to the successful delivery of the City Strategy. GM is fortunate in having a diverse and well-networked voluntary sector of over 10,000 organisations (the largest outside London). **Greater Manchester Council for Voluntary Organisation** (GMCVO) is the voluntary sector sub-regional infrastructure organisation and the lead body for voluntary sector support, made up of a Consortium of 50 GM infrastructure providers including CVS's. A key recent development is the creation (under the Working Together strategy) of a voluntary sector learning Consortium including small local learning providers that will have approved provider status with the LSC GM. This will link to the City Strategy.
- We will additionally be seeking to work with **Registered Social Landlords** and community facing organisations and local Regeneration partnerships as a mechanism for engaging workless residents in disadvantaged communities.

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

Given the specific labour market demand and supply issues facing GM, key benefit claimants and priority groups (see earlier section) the Consortium will develop an integrated and holistic programme of actions to make real progress in tackling the causes and the incidence of worklessness.

The Consortium has agreed the principles of a delivery framework that works in three linked areas:

- improved engagement of workless residents;
- co-ordinated delivery of employment support and training services; and
- supporting employers to recruit workless residents and retain people in work.

As a managed programme these key elements will gear the delivery of the City Strategy and provide a focus for the integration and effective deployment of mainstream services. The Consortium will build a strategic planning and commissioning framework setting target volumes of clients engaged and moving through employment support and into work. This will be embedded in the business plans of Consortium partners to ensure that there is sufficient capacity across mainstream agencies to achieve the intended reduction in worklessness.

The Consortium will work towards single commissioning arrangements for specific interventions to improve the relevance and the quality of work focused provision. The Consortium will achieve an additional impact of 17,900 workless residents into employment from the poorest performing communities in GM over the first 3 years of the City Strategy.

The central goal of the Consortium will be to link workless residents to the employment opportunities created in GM. For this to happen the profiles of those furthest away from the labour market must be raised to show employers the benefit of a wide and open recruitment policy. We will also have to work collaboratively to find innovative ways to promote vacancies to residents. The engagement and leadership of employers is of critical importance and a key feature of the Consortium. This includes developing an innovative and integrated package of support with employers to simplify access to business services that will retain people in work and build the skills and labour market sustainability of employees.

The Consortium will drive the delivery of targets to reduce worklessness and child poverty in the worst performing communities and among the target groups. Through the Consortium, LSPs and the new Strategic Board for GM, priority targets will be adopted and shared by **all** public agencies supporting workless residents along with a managed process to ensure the alignment of service delivery.

Improved engagement of workless residents

The Consortium will establish an integrated approach to targeting and engaging workless residents. This will build on existing infrastructure and services to increase the range of access points to employment support for residents, the quality of provision and success in moving people towards work. The integrated approach will engage with health service providers, voluntary organisations, employers and public agencies to raise the visibility of employment support and test new approaches to community based delivery of first line services.

Building on the experience in GM and elsewhere the Consortium will re-engineer public service delivery to offer more coherent and structured pathways for workless residents to gain information, advice and access learning and work. The Consortium will increase client engagement across three areas.

Health services – the leadership of GPs and community based healthcare providers is vital to changing the culture surrounding sickness, long term benefits and work. Examples of employment support provided in GP surgeries in London and East Lancashire provide models of integrated delivery that could be replicated in GM. The Consortium will learn from these experiences but also develop new initiatives such as a ‘prescription for work’ scheme that will define a new role for GPs to keep people in work by identifying real alternatives to long term benefits. The Consortium wish to work with DWP to extend Condition Management services for people on Statutory Sick Pay to reduce the flow of IB new claimants and improved joint working with community health workers. This approach will better use existing infrastructure such as LIFT centres - expanding the access points for workless residents. Additionally we will introduce measures to engage health sector workers in effective signposting to agencies that can offer employability support.

Community based services – providing visible and accessible services within those neighbourhoods with the lowest employment rates is vital to raising engagement. This is not about new infrastructure investments but instead making more effective use of existing venues in the community to deliver first line employment advice and make

suitable referrals to mainstream agencies. The Consortium will explore the potential of delivering information, referral, advisory and training services through community organisations to extend the network of delivery points. Using funding such as Neighbourhood Learning in Deprived Communities (NLDC) to support capacity building activity, employment support can be redefined as a core role for a far wider range of bodies.

Training provision - access to training and work is a powerful incentive for many people on long term benefits but may appear to be unattainable because of a range of real and perceived barriers. The Consortium, as part of the integrated approach, will focus the commissioning of training on provision that both meets the needs of employers and is attractive to clients. Demand-led intelligence from front line services will inform the creation of a flexible and responsive menu of services to tackle barriers to learning and work. This will provide a framework to better utilise discretionary funds such as ESF and LSC 'Other Provision' but also mainstream services. The Consortium will extend the provision of motivational Information Advice and Guidance (IAG) for adults targeted at key client groups; work related activity premium with lone parents with linked provision of childcare; and refocus ESOL and EFL provision for BME workless residents to create the progression routes to get people closer to work.

What will change?

The actions outlined above will significantly improve the co-ordination of front line and engagement services creating seamless delivery arrangements and bespoke services that place the client at the heart of delivery. This approach will increase the pathways into employment support and minimise the need for sanctions for non-participation. The end result will be larger numbers of people aware of the opportunities and support services available to them to make a positive choice to move back into work. Additional practical benefits will be the improved signposting and information and the casting of a new role for health bodies and community based service providers in employment. The Consortium will structure a more effective use and targeting of training activity to improve the fit with the demands of the labour market.

Co-ordinated delivery of employment support and training services

Manchester has had experience over the last two years of developing and successfully delivering services to residents in receipt of IB through the *Stepping Stones* project. The experience of moving and keeping over 1,100 former IB clients in work since 2005 has made clear the importance of effective and well co-ordinated delivery arrangements.

Central to the successful operation of the City Strategy will be the creation of a single delivery framework, management structure and targets that will set the performance standards for Consortium services. Taking good practice from a range of sources including the Australian 'Star' system, the Consortium will refocus mainstream job search and learning on improving the employability of workless residents. Building on the new Adult Learning Option, this will entail the creation of new performance management systems that address inherent conflicts in different funding streams (LSC, Jobcentre Plus and health sector) to tailor services to the particular needs of the client. The PA (client advisor) will have much greater flexibility to create a bespoke product and responsibility to 'account manage' the client through training and into the workplace.

This approach will provide a fundamental challenge to the commissioning arrangements of the Consortium partners and ensure that each action is geared to improving the work prospects of individuals and contributing to the improvement of the employment rates of local communities. There is considerable experience of managing the successful delivery

of large scale community focused programmes in GM (such as Housing Market Renewal) and developing the targeting mechanisms to achieve improvements in the most deprived areas. The Consortium will facilitate much closer links with employers within GM to raise the relevance of training but also capture large scale recruitment opportunities. This will build on local experience with, for example, Asda, Manchester Airport and Central Manchester Hospitals Trust but also learning from national schemes such as Birmingham Bullring where multi-agency pre-employment and training services were put into place to secure a large proportion of jobs for local workless residents.

What will change?

The impact of the approach set out above will be a greater alignment of provision to the needs of employers and more effective co-ordination of delivery across agencies. The introduction of a strategic delivery framework will (even with an increase in the number of access points) improve the coherence of services for the client and raise the ability of agencies to collaborate around core goals.

Supporting employers to recruit and retain people in work

The engagement and leadership of employers is central to reducing worklessness. The Consortium will develop an innovative and integrated package of support with employers to simplify access to business services that will retain people in work, build the skills and labour market sustainability of employees and increase the level of local employment.

The Consortium plan to create an employer support package to orchestrate public services and raise the ability of businesses to substantially reduce the flow of people onto benefits. This will be a new approach with the dual aim of supporting businesses to create the systems to keep people in work while also increasing job retention thereby reducing the number of people that return to claiming benefits. This will:

- bring together occupational health and personnel advice for SMEs to create the capacity for firms to more effectively prevent and manage sickness and create strategies to retain employees in work;
- provide improved access to Level 2 training (and pathways to higher level skills) to reduce the vulnerability of low skilled workers to unemployment and improve the productivity of staff;
- work with employers to capture vacancies and broker local workless residents into employment; and
- offer practical post employment support to former workless residents and to employers in retaining people in work.

This service will be integrated to create a single offer to employers with a single entry point. There will be a reconfiguration of front line and advisory services – with Business Link, Jobcentre Plus and LSC GM employer engagement functions working together. GM has been fortunate to have had an existing brokerage service in the form of a 'Recruitment and Skills Unit' and we need to build on this good practice to improve the short and medium term planning of skills supply.

What will change?

As part of this approach employers will recognise and be recognised for their vital role in reducing worklessness. Access to employer focused HR, training and employee support services will be simplified and marketed to SMEs. The outcome will be both more people

remaining in work and more employers able to effectively deal with workplace sickness. The engagement of employers in the design and delivery of services, including members of the Consortium, will also enable larger numbers of local jobs to be directed towards workless residents.

Overall Impact

The actions set out above have been developed by the Consortium to both enable a radical reduction of worklessness in GM's most excluded communities but also to maximise the use of existing infrastructure and mainstream funding. In summary there are a number of areas where these proposals improve on existing arrangements.

- The development of a shared and coherent approach to raising employment rates – positioning worklessness as a strategic priority for all public agencies and employers not just Jobcentre Plus.
- The creation of new strategic planning and governance arrangements at the sub regional level – ensuring that priority is given to those communities with the lowest employment rates and that there is sufficient delivery capacity in place to achieve much higher volumes of people into work.
- Widening the range of access points for clients – defining a new role for community based organisations and employers as legitimate providers of first line employment support.
- Improving the effectiveness and relevance of mainstream services and positioning the PA to define the supply of services based on the needs of clients.
- Supporting businesses to take the lead on improving employment rates – building capacity to manage health and retain people at work.

Funding

There are a range of funding streams that fall within scope for funding alignment including Deprived Areas Fund (DAF), Neighbourhood Renewal Fund (NRF), Neighbourhood Learning in Deprived Communities (NLDC), European Regional Development Fund (ERDF), Jobcentre Plus and LSC ESF co-financing, Northern Way, NWDA, Primary Care Trust, GM Employer Coalition, Train to Gain and OLASS. The Consortium will introduce a GM wide approach to the alignment of funding streams to reflect the geography and nature of delivery.

Phase 1 of the bid will align funding streams and the sequencing of activities based on existing funding and contracting arrangements and timescales. In the first year of operation it is anticipated that the Consortium will have an aligned funding package in excess of £10 million. Phase 2 (from 2008) provides the opportunity to introduce joint commissioning and governance arrangements for ESF, DAF, NRF, NLDC and other funding to support the delivery of shared priorities. In addition the City Strategy will provide the framework for future NWDA investment in the context of the sub-regional Action Plan.

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: Simplified target/reporting structures

A key objective of the City Strategy is to target investment and activities to local priorities. Currently Consortium members follow varied reporting structures with differing priorities, some of which are centrally driven. The introduction of shared local targeting and reporting structures between Consortium partners will allow focussed activity in areas of highest local need.

Solution

DWP, DfES, DCLG and Consortium partners to work together to agree a governance structure that will facilitate the adoption of shared targets and align reporting hierarchies. As a result Consortium business planning would be developed in the context of the emerging City Region and Local Area Agreements. This could be implemented through a Greater Manchester Metropolitan Area Agreement if agreed via the New Deal for Towns Cities and Regions submission.

Impact

If resolved this will give all key partners greater flexibility to direct resources and integrate customer services in response to locally identified needs. Shared local targets and joint reporting mechanisms will ensure the Consortium is more responsive to addressing local needs and the various barriers evident within localities and will lead to an overall improvement in local employment rates. The reduced cost of monitoring and reporting will release resources for 'front line' delivery.

Barrier 2: Data sharing/shared administration/management systems

In order for the Consortium to most effectively align resources and activities and manage the performance of partners it requires secure shared access to Jobcentre Plus client information. Also improved access to local intelligence, including key data sets, such as the DWP longitudinal benefits study and an assurance of the collection of robust ethnic monitoring data on a regular basis (both agreed in principle during Manchester's LAA negotiations with DWP) will lead to more effective targeting of services by a wider range of delivery partners.

Solution

To increase the number of people who can access the Jobcentre Plus client administration system and use it as a planning tool for operational and performance management purposes. This enabling measure is required for those individuals (not necessarily Jobcentre Plus staff) working within the Consortium with responsibility for target setting, monitoring and evaluating activity. It is anticipated that contact details of claimants will be shared in order to most effectively engage with potential clients. When clients have been engaged it is proposed to use individual informed consent to share client information where appropriate within the Consortium.

Impact

Access to the key administration system holding details of out of work benefit claimants will reduce the potential to duplicate engagement activity and will, when used as a strategic tool, ensure effective alignment of activity within the Consortium. It is expected this will reduce the cost per successful job outcome allowing an increase in the volume of claimants moving into work related activity.

In order to achieve the greatest progress in the most deprived areas, reliable baseline, targeting and monitoring data is required at the small area level to inform the prioritisation of funding. This information will enable the Consortium to identify and understand better the type of interventions for each customer group that are most likely to result in sustainable employment. Additionally, access will allow a more accurate evaluation of the effectiveness and impact of employment support services against a robust baseline, so that future funding is directed towards those interventions that achieve the greatest results. This will produce a cashable benefit by reducing the cost of client engagement.

Barrier 3: Restriction on participation of Jobcentre Plus customers in essential work focused training

Several concurrent problems exist as a barrier to increasing the employability and job attainment of workless individuals:

- JSA claimants cannot access full time education and training (above 16 hours) without losing the eligibility for their benefit.
- Jobcentre Plus has traditionally been able to target long-term unemployed people for full time training through the provision of Work Based Learning for Adults. This budget has almost disappeared, leaving many workless individuals without the ability to improve their skills and engage in appropriate back to work support.
- Further Education (FE) Colleges and community based providers are able to offer full time courses to improve employability, yet the nature of their funding and customs and practice mean that the primary focus is on learning hours and qualifications rather than success in the labour market and job entries. Learning programmes also tend to be restricted to academic years making the services unresponsive to the immediate recruitment needs of employers and employment objectives of jobseekers.

We do not believe that a blanket relaxation of the 16 hour rule would be cost effective or necessarily result in larger volumes entering work. However, a substantial proportion of residents need to improve their skills and qualifications in order to compete for jobs.

Solution

Local flexibility to award the status of Jobcentre Plus official 'Work Based Learning for Adults' to programmes that meet a strict criteria, thus using a freedom and flexibility to drive real change through community and FE learning. In order for the Consortium to sanction the award of 'Work Based Learning for Adults' to colleges and community providers individual programmes they would have to demonstrate the following:

- 1) employer support that guarantees at least a job interview to course completers;
- 2) convergence with either Skills for Life or Level 2 entitlement provision;
- 3) a contractually agreed job entry rate of at least 25% for Skills for Life and 50% for Level 2 entitlement – failure to track and achieve this will result in the removal of 'Work Based Learning for Adults' categorisation; and

- 4) flexibility with programme start times to meet employer recruitment and jobseeker needs not academic cycles.

The movement of benefit recipients onto a training allowance will negate the 16 hour rule but there may be financial implications for the additional premium, childcare and travel costs that Jobcentre Plus may be unable to resource. If this is the case we would welcome discussions with DWP on further freedoms to enable the use of local funding to support this process.

Impact

The shift from current benefit to 'Work Based Learning for Adults' Training Allowance will mean that individuals can access full time employability support. The conditions imposed on providers do not currently exist and outputs are solely around learning hours and qualifications. This change in behaviour will be a real catalyst for innovation and would contribute to raising standards in FE and community learning, achieving the vision of the Foster Report. If resolved, this is expected to increase take up of employment and training programmes for workless residents, providing them with skills appropriate to employer demand in specific growth sectors.

Barrier 4: Inflexibility regarding timing of the closure of Action Teams

The Consortium intends to use DAF from 2007/08 to fund outreach activity building on the best practice of the Action Teams. As an interim measure, it is proposed that the 2006/07 DAF for Manchester Central Jobcentre Plus district is used for outreach activity targeted at our priority wards. The agreed best option for the Consortium is to use the existing Action Team staff for this period so that we can deliver from 1st October 06. However we have been informed that a Ministerial decision prevents us from utilising this resource in the interim period

The reason we wish to retain the Action Team infrastructure in this current year is that there is insufficient time to undertake new commissioning arrangements and Action Team staff are an existing and skilled resource, with strong local partnership links, that could quickly be redeployed to support the start up of the Consortium. However, because of the Ministerial decision the Consortium is being prevented, at its first opportunity, of introducing flexible joint working to undertake its preferred option.

Solution

DWP agree to the above request to use DAF to continue to support the Action Teams to deliver outreach services to our identified target groups and wards for the 6-month period until a full Business Plan is produced. This allows the Consortium to agree and implement the most appropriate delivery option, building on the good practice which has already been established in Manchester and Salford, from April 07 to March 08.

Impact

At no additional cost to DWP/Jobcentre Plus, the Consortium will respond more effectively and efficiently in its initial operational stages. This would avoid unnecessary costs of recruiting and training a new delivery team.

Barrier 5: Lack of flexibility to allocate LSC GM budgets according to local needs

Whilst LSC GM's priorities for adults are clearly to increase the number of people achieving approved skills for life qualifications in literacy, numeracy or ESOL (at entry Level 3 or above), first full Level 2 qualifications and Level 3 qualifications in sector skills areas important to the GM economy, there is a recognition that 'first steps' provision which leads to these qualifications is essential for many people furthest from the labour market. In some instances the best way of moving from inactivity to volunteering, training or employment is to provide local alternative non-accredited provision, yet the proportion of LSC budgets made available to this kind of provision is reducing.

Solution

To have sufficient flexibility and funding available and to utilise other LSC budgets to determine locally commissioned 'first steps' provision, including learning/learner support, designed to meet the individual needs of disadvantaged residents in the 58 designated wards, that sits outside of the qualification framework but provides pathways to it, including pathways to Train to Gain provision.

Impact

Providing an increased number of opportunities for disadvantaged residents to return to learning as a first step towards achieving skills for employability and hence raise skills levels to meet employer demand particularly in growth sectors.

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?

Worklessness disproportionately affects disadvantaged groups including benefit claimants, lone parents, people with disabilities and health conditions, older people, people with low skills and people from minority ethnic groups. The Consortium will focus activity within the 58 priority wards with the highest concentrations of worklessness within GM, working with disadvantaged groups to improve their chances of moving into work. Indirectly, this will help to address the causes of child poverty and improve the sustainability of neighbourhoods.

The 58 priority wards have an employment rate of 56.6%, matching or below, the employment rate of any GM district, and significantly below the England employment rate of 72.5% (source: 2001 Census S028). Consortium activity will deliver an 80% employment rate in these areas within 15 years – representing 41.3% improvement. In order to deliver this aspirational rate, the Consortium will, within a three-year timescale:

- Increase the employment rate within the 58 priority wards from 56.6% to 61.3%, a 8.3% increase over three years, by moving 17,900 residents claiming out of work benefits into work from the most deprived areas. This total will be made up of the following claimant categories:
 - 7,300 IB/SDA claimants into work;
 - 5,600 JSA claimants into work and;
 - 5,000 lone parents in receipt of IS into work.
- Work to significantly reduce the exceptionally high levels of worklessness amongst the priority areas' BME population. The indicative employment rate (for population aged 16-74) amongst BME groups is 34.6%, falling to 29.5% for the Bangladeshi population. The Consortium will look to move 1,500 BME residents

into work over three years. This will eliminate the disparity of the proportion of residents employed who are BME with the proportion of the population who are BME, within 15 years.

- Focus on workless residents aged 50+ within the priority wards, across all benefit types. The Consortium will aspire to raise the employment rate for residents aged 50+ from 50% to 65% over 15 years.
- Seek to reduce the proportion of adults within the 58 priority wards who lack Level 2 or equivalent qualifications to match the GM average of 28.8%.

The Consortium target of an 80% employment rate will exceed existing LPSA and LAA targets, delivering job outcomes beyond those negotiated. It will also mean Jobcentre Plus and LSC targets are exceeded. The additional impact of Consortium activity on performance may require renegotiation of existing targets. This will be determined at the delivery planning stage.

The methodology used to calculate these targets is attached at Annex 4.

The responsibility for the Consortium's targets will lie with the Strategic Board who will orchestrate the commissioning arrangements of the agencies to deliver the respective targets.

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

The key to effective delivery of the City Strategy is close partnership working. No single agency can deliver all the activities that will ensure that we achieve our targets. Delivery will be backed up by a multi-agency action plan that will be updated as progress is made. The Consortium's performance management arrangements will therefore include the following processes and procedures:

- Programme planning – to ensure clarity of purpose is maintained throughout the lifecycle of the City Strategy and provide a framework for senior management in partner organisations to appropriately direct the change process and transition of delivery within their organisations. It will also allow for more efficient use of resources through greater inter-organisational project prioritisation and integration.
- Benefits management - identifying, optimising and tracking expected benefits to ensure they are achieved by ensuring all activities are appropriately aligned to the programme strategy.
- Stakeholder management - ensuring all interested parties are appropriately involved in the programme.
- Issue management and risk management – the Consortium will develop a strategy for dealing with current and anticipated problems.
- Quality management - ensuring that the end products and deliverables of the programme are fit for purpose.
- Audit - ensuring that technical, statutory, contract and accounting standards are used.

In order to effectively monitor and manage progress and achievements a common means of monitoring will be agreed, results of which will be evaluated using the Australian Star system. This will ensure that Consortium deliverables remain aligned to the programme

strategy and key outcomes.

This approach will provide more efficient control of a complex range of activities and deliver a smooth transition from current to future business operation through more effective delivery of change.

Continuous evaluation and monitoring will identify any problem areas where reinforced efforts are required to prevent loss of momentum and the programme moving off track. These reviews will also monitor and assess the governance and management of the programme, for example will assess the efficiency of the adopted Australian Star system of evaluation, this will mean any changes required to improve performance are actioned at the earliest possible stage.

What will be the impact of your proposal on the wider LAA (or LAAs) - or equivalent - and other existing employment and skills strategies or initiatives?

The City Strategy provides a framework to connect and deliver national priorities for employment, skills and neighbourhood renewal at the sub-regional level and will ensure GM partners deliver against national Public Service Agreement (PSA) targets and specifically the employment floor target.

Addressing worklessness is clearly embedded in key strategies such as the Northern Way, RES, GM Economic Development Plan, GM Skills Priority Statement, individual Community Strategies, Employment Plans and Local Public Service Agreements. It is a major theme within all five of GM's existing Local Area Agreements (LAAs) and will be included in those LAAs currently being developed for the remaining authorities.

When taken together, a clear framework and delivery strategy for the City Strategy linking national, regional and sub-regional priorities to the Local Authority and neighbourhood levels is in place. This provides partners with the foundations that will establish an integrated approach to addressing worklessness across the conurbation.

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?

In response to the Government's New Deal for Towns, Cities and Regions (NDTCR) initiative, GM has put forward proposals for new governance arrangements based on an Executive (made up of relevant Local Authority leaders), which would develop and agree the overall vision and strategic plan for GM's future development – and a series of Strategic Boards, one of which would cover Economic Development, Skills and Employment. Given that the proposals for this Board can be progressed by voluntary agreement of the various partners, it is envisaged that the Board will be in place by the end of 2006/07.

The Strategic Board for Economic Development, Skills and Employment will be private sector led and will provide the governance framework for the City Strategy Consortium. The Board will discharge its responsibilities through existing agencies, and oversee the delivery of employment, skills and related healthcare interventions in order to substantially reduce the volume of residents claiming out-of-work benefits in GM. It will establish strategic priorities and the framework for commissioning. It will also set and monitor performance management targets that contribute to the overall Consortium targets. The agencies will commission the activity necessary to deliver performance on the ground.

The Board will support delivery of individual local authority LAA and LPSA targets as well as Jobcentre Plus and LSC GM local and national targets. As set out in this expression of interest, activities will cross Local Authority and Jobcentre Plus boundaries in order to concentrate resources on those neighbourhoods with the most acute need. The Strategic Board will provide the strategic and performance management framework for this and in doing so maximise the synergies between all geographic levels, ranging from neighbourhood to Local Authority, sub-regional and national.

In the short term, it is proposed that the Consortium operates within the existing sub-regional partnership arrangements between economic development, skills and employment.

In addition to performing a strategic planning function there will be, at the operational level, a steering group of key partners engaged in the decision making process for City Strategy, including Jobcentre Plus, LSC GM, Local Authorities, GM Employer Coalition, NWDA, GONW and representatives from Primary Care Trusts. Manchester Enterprises will be responsible for co-ordinating the implementation of the proposals, including the alignment and targeting of funding streams to areas of greatest need, the commissioning framework, and the development of a Metropolitan Local Area Agreement with Government if this emerges from the NDTCR.