

MUNICIPAL YEAR 2011/2012 REPORT NO. **156**

**MEETING TITLE AND DATE:**  
Cabinet 14<sup>th</sup> December  
2011

**REPORT OF:**  
The Housing Growth and  
Regeneration Scrutiny  
Panel

**Agenda – Part: 1**

**Item: 6**

**Subject: Commission on Worklessness**

**Wards: All**

**Cabinet Member consulted: Cllr Del  
Goddard**

Contact officer and telephone number:

Mike Ahuja 0208 379 5044

E mail: Mike.Ahuja@enfield.gov.uk

**1. EXECUTIVE SUMMARY**

- 1.1 This report details the findings and recommendations of the Housing Growth and Regeneration Scrutiny Panel review entitled 'Getting People in to Work.' This was undertaken by a working group of Members and Officers under the former Place Shaping Scrutiny Panel work programme and is now referred to Cabinet from the Housing, Growth and Regeneration Scrutiny Panel.
- 1.2 The working group looked into strategic issues around worklessness, current programmes and approaches for getting people into work and it examined the delivery and effectiveness of these programmes.
- 1.3 The review demonstrated the need for further work between the Council, partners and local businesses to agree and develop a way forward for a radical overhaul to the approaches taken by delivery partners and organisations in reducing long term unemployment.
- 1.4 The Cabinet Member and Director of Regeneration, Leisure & Culture have been consulted on the findings and recommendations of the review.
- 1.5 A number of Partners and Council Officers from Regeneration have contributed to this piece of work.
- 1.6 The Report contains the Chairman's Foreword. The findings and recommendations of the Scrutiny Panel are detailed in paragraph 3.1 to 3.5.

## **2. RECOMMENDATION:**

1. For Cabinet to consider the report of the Scrutiny Panel and provide a response.

### **Chairman's Foreword**

Of all the challenges facing the political leaders, decision makers, and opinion formers in Enfield over the coming years, the fact there are some 28,000 people not currently in work, and yet able and capable of working and becoming economically active, is one of the starkest. This is not just for the immediate circumstances in which these people find themselves, but also for the range of other pressures they and their families have to face, and the pressures it also places on the Council and other agencies to address through the delivery of a range of support services to those in most need.

Where there is a lack of economic means, and the lack of household income, there is all too often an extremely high social price to be paid - both for the individuals and families involved, and for the support systems. This is especially acute when these conditions prevail over an extended period of time.

Of course, there are many reasons for why the unemployment figure is what it is; and the situation becomes more acute when the figure is analysed, and it is determined that in some parts of the Borough, the actual unemployment figure is cited as being close on 50% (though subsequent research revised this to 36.7%). Moreover, when these figures are even further dissected, it then becomes apparent that the long-term nature of this unemployment is all too fully embedded, in some cases inter-generational, and presents a situation whereby nothing is likely to change, unless conventional practices and methods are challenged.

Long-term unemployment is not unique to Enfield. There are pockets of severe economic deprivation, low skills, and low aspirations, in many other parts of London and the UK. Major structural changes to local and sub-regional economies have taken root over at least a generation, whether as witnessed in traditional mining communities in other parts of the country, or more directly pertinent to Enfield and the Lee Valley, the decline of manufacturing industry, and the shift in the Capital to a service and knowledge based economy.

Yet, despite numerous initiatives and public interventions designed to tackle the combined problems of worklessness, getting people back into the work

place, motivating the work shy, a comparative analysis of long-term unemployment over the past five, then, fifteen, even twenty years shows less movement in the statistics of those out of work for more than a year than can ever be described as acceptable.

The issue being confronted is deep-rooted long-term unemployment. Recent history has demonstrated that a litany of programmes with varying titles, however well scoped, and worthily delivered under best laid plans, have materially failed to make a significant impact. One of the main reasons for this would appear to be the short-term nature of projects, all too often fettered by the short-term nature of funding regimes, output driven rather than outcome oriented. This has acted as a structural as well as financial constraint.

Herein lies the main paradox. Long-term problems warrant long-term management, and policies to be enacted over an extended period if a real difference was, or is, ever going to be achieved.

While there might be some similarities in trends between Boroughs, there is always a local dimension; the immediate area dynamic and prevailing conditions demand very specific local responses to make a difference to the lives of those people directly affected, and by extension to the wider community.

This was the core motivation for the establishment of this Working Group Review. Members agreed from the outset to seek out a wide and balanced range of information supported by opinion; to explore and probe for some of the reasons why it has proved less than easy to make inroads into the long-term unemployment in the Borough.

In particular, the Group was concerned as to why a some of the same kinds of questions were being asked now - in 2010/2011 - as they were in 1991; the year in which I first become involved in this arena of economic development, skills development, and employment opportunity. Reading various current strategic documents was, certainly from a personal viewpoint as if experiencing déjà vu, and this was troubling.

Almost before the Working Group first met to determine how it was going to carry out its work, that a large constituency of people working in this area had dissolved in a kind of comfort zone; doing what they did, running projects that were variations on a similar theme, maybe with different titles, the same objectives, because that's the way it's always been done. Plus ça change; plus c'est la meme chose. And that was discomforting.

It became apparent at a very early stage that, to coin an overused phrase, the status quo was not an option. The real objective and opportunity – for doing something transformational - was being missed. For whatever reasons, small improvements were being made at the fringes; some personal gains were made, all too often ephemeral, but the underlying problem still seemed to be immovable.

Policy development would have to be looked at in a different way; practitioners would need to change their mindsets; the strategic leaders and delivery partners would have to take a refreshingly self-critical way in which they carried out their work; and funding bodies would have to look beyond one year at a time.

It could be said that the Working Group conducted its work at a rather inopportune time. Maybe, having waited this long, it might have been wiser to allow the significant changes going on outside of Enfield to settle down and allow some degree of clarity to emerge from the fog of transition.

In May 2010, there was a change of national Government, and this brought about significant changes in style, structure, attitude towards and policies to deal with the related matters of economic development, business growth, and welfare reform; and all this was in a climate of significant budget reductions to be borne widely by local authorities, voluntary and community organisations, and the public sector as a whole – the very people who manage information, advice, guidance, and most importantly, support services.

Pre-existing initiatives such as the Working Neighbourhood Fund, and the Future Jobs Fund were jettisoned almost immediately, but the new Work Programme designed to replace it was slower in its development, articulation, and precision. This meant that to some extent, the Working Group was meeting in something of a vacuum, and in a period of uncertainty. In practice, more of the details of how the Work Programme is going to play out came too late to influence the findings and the initial recommendations being made.

Undeterred, it carried on, because the prime focus of examination at this stage was information gathering rather than detailed policy forming. It tapped into the fact that such a radical change, particularly in the form of heavily retrenched financial conditions, was in fact a liberating force, and meant that the playing field was so vastly altered that it represented a real opportunity for change.

Not only is there the need for more creative, innovative, imaginative, and possibly completely different approaches to project design and development; but having less money available to deliver such support measures actually provides the very catalyst, albeit by necessity, for driving that change.

Unquestionably, things are not going to be the same as they have been in the recent and intermediate past. But that, in so many ways, is a good thing. It is clearly a challenge that has to be met, not shirked.

But it is a firm assertion that by providing inspirational and credible leadership, and by adopting new approaches to getting people into and back into work; more than that, by applying methods of delivery that maybe have not even been explored or used previously, it is possible to motivate some of the hitherto most impenetrable groups of our community to be inspired to aspire to a better way of living, and better standards of attainment. How? It does so by the simple fact of putting real money from real jobs into real pockets.

In so doing, led forcefully by the Council, working together in strong and cohesive partnership with many others, not least with local businesses, it is possible to start making inroads into the persistent problem of long-term unemployment. Real income buys more than goods and services. It enables self-respect, personal pride, and emotional and financial independence. It begins to reverse the direction of the spiral, for both the individual and the collective good of the residents and the local economy.

I would like to thank all Members of this Working Group for their diligence, attentiveness, and contributions to the study. I would also like to thank our co-optee for giving their time so willingly, and providing their own perspective.

The Group has received support from officers of the Council including the Economic Development Team which, past, present, and future, has played such a major role both in leadership and will continue to be a vital cog in delivering some of the changes recommended by the Group. Their regular attendance, always at less than social hours, has been much welcomed and warmly appreciated.

Above all, I would like to thank all those people who accepted invitations to present themselves to the Working Group during its period of operation, to answer an uncompromising range of questions, for their frankness and honesty, and to offer their own range of perspectives and opinions, borne of extensive and wide ranging experiences, sometimes positive, sometimes frustrated – and in almost all cases, over an extensive period of time.

This Working Group has been able to do little more than scratch at the surface of what remains a critically important, and not at all welcome characteristic of the Borough's demography, its economic profile, and the health and social welfare issues that sit alongside it

Whether its work is going to be sustained under the redefined Scrutiny Panel that has embraced some of that which fell last year under the aegis of the Place Shaping and Enterprise Scrutiny Panel is for others to decide.

None of the work undertaken stands in isolation. It is all inextricably linked with parallel work of Members and officers to develop an inward investment strategy, and implementing wider skills development strategies. Together, they form an offer whereby all companies considering or actually locating or relocating into Enfield will be encouraged and actively supported to participate in schemes that guarantee a significant proportion of recruitment needs will be fulfilled by Enfield.

But if there is one clear conclusion that has been drawn from our work to date, and should be taken as it legacy, for further development, I will for one more time invoke the jazz mantra that encapsulates our thinking and say, with a firm eye on the future, and with the belief that change should be embraced and not feared ...

.... “It Ain’t What You Do; It’s The Way That You Do It”.

**Councillor Derek Levy**  
**Chairman Getting People into Work Review Working Group**  
**Place Shaping and Enterprise Scrutiny Panel 2010-2011**

### **3. SCRUTINY REVIEW INTO GETTING PEOPLE INTO WORK**

#### **FINDINGS & RECOMMENDATIONS**

**3.1 Finding:** Supply-side strategy based on funding targets, and the funding provision itself, has focused on processes rather than the problem. In terms of future programme and project delivery, the ‘how’ is as important as, and probably even more important than, the ‘what’. In other words, the reason for support intervention was never in question – but the means to such ends were queried in terms of their true effectiveness.

**Recommendation:** Strong political leadership and strategic focus within the Economic Development Team Department to drive enterprise and to create the jobs Enfield needs. Long-term solutions are required rather than short-term projects.

**3.2 Finding:** Private sector companies advised the Working Group of the importance of good communication with the Council. The Working Group feel there is a mutual benefit for the Council, finding innovative ways of sustaining the workforce, creating jobs and meeting entrepreneurs who may do things differently. The Strategic Business Forum established in spring 2010 and the Small Businesses Engagement Accord agreed by Cabinet June 2011 are good developments.

**Recommendation:** Continue to enhance communication with local private sector companies, including small and medium sized enterprises (SMEs), and encouraging companies to do more for their community including work placements, apprenticeships, using local labour. The Council should strengthen its procurement from local companies.

**3.3 Finding:** The Government Work Programme is due to be in place by summer 2011. Currently it is not clear what employment related support will be provided and by who.

**Recommendation:** The Council needs to consider its role in relation to the Government’s Work Programme including support for those not eligible for the Work Programme and those further from the job market. This to include inter-departmental and partnership working aimed at areas/estates with particularly high levels of benefit claimants and inter-generational unemployment.

**3.4 Finding:** Local employers have said that it is important to discuss labour requirements with Councils well in advance of locating or undertaking development projects within Enfield.

**Recommendation:** The Council (via Jobsnet or the Economic Development Team) should discuss skills and skills level requirements with companies intending to move into the Borough to ensure a pool of interview-ready applicants with necessary skills.

**3.5 Finding:** The number of people out of work and the increasing pressure this brings to the Council and other local services is extremely serious.

**Recommendation 1:** Getting people into work becomes a standard item on the Housing, Growth and Regeneration Scrutiny Panel work programme.

**Recommendation 2:** The Council give consideration to establishing a permanent standing committee with a single focus on getting people into work.

## **4. BACKGROUND**

### **4.1 Worklessness**

4.1.1 The definition of worklessness varies but usually describes a section of the population who are of working age but who are out of work – whether they are actively seeking work or are economically inactive. Working-age benefit dependency in Enfield has increased. Getting more people into work has beneficial consequences for both individuals and the community. Work is good for mental and physical health; it improves the quality of life, reduces social isolation and increases the social and economic vitality of communities

4.1.2 Worklessness is measured by those receiving out-of-work benefits within the working-age population, the main ones being Incapacity Benefit (IB) - replaced for new claimants by the Employment Support Allowance (ESA) in 2008, Income Support - particularly Lone Parent Income Support, and Jobseeker's Allowance (JSA).

4.1.3 In February 2010 33,190 people of working age were claiming benefits. This included 7,040 Lone Parents receiving Income Support. Those claiming ESA/IB numbered 12,570. The JSA count (those registered as available for work) in February 2010 was 9,410. The Borough has high levels of unemployed young people and women in particular. As a result of the recession the JSA count rose by 77% from 5,347 in June 2008. Most of this rise was in late 2008 and early 2009 and has since levelled off.

4.1.4 Maps and figures presented to the Working Group in November 2010 show that 8 Wards have over 20% of working-age people on out-of-work benefits, all of which are located in the eastern part of the borough (although ward-based figures mask hot spots of deprivation within these wards and elsewhere). Edmonton Green, Ponders End, Upper Edmonton and Lower Edmonton are the worst affected wards for unemployment. East of the A10, within Enfield, are situated some of the most deprived 10% of Census Super Output Areas (SOAs) in England (geographical areas of approximately 3000 people). They mostly cover social housing estates, but not exclusively, which indicates that a targeted approach may be beneficial.

4.1.5 A research project, commissioned by the Sustainable Communities Team in December 2010, looked at one SAO in Edmonton Green which had an exceptionally high number of out-of-work benefit claimants in 2009. It was found that the original figure of 49.8% was too high due to underestimated population figures that distorted the benefit claimant figures. The revised figure of 36.7% is still very high but more in line with neighbouring SOAs.

## **5. The Local Economy and Council Strategy**

5.1 The Tackling Worklessness Review (Houghton Report), March 2009, advocated Local Economic Assessments and Work and Skills Plans aimed at understanding local employment opportunities and increasing the skills of the local residents to match the demand. The requirement for councils to produce a Work and Skills Plan was dropped by the new Government in 2010 and, as a consequence, work on Enfield's draft Work and Skills Plan was halted. The Local Economic Assessment, however, has been completed and contains an extensive range of information on the local economy.

5.2 Enfield has a large proportion of low and unskilled residents in its labour force. There is a mismatch between job availability and local skills which needs to be addressed. The loss of large manufacturers has led to a dependence on other sectors such as services industries.

5.3 The Cabinet Member for Business and Regeneration pointed out to the Working Group that Enfield had a rapidly changing demographic profile with an 'Escalator Model', where residents gain skills and move out of target groups only to be replaced by other residents at the lower end. He also felt that those in employment with low skills and low wages needed support to improve their economic and social mobility.

5.4 In July 2010 the Council's approach to mitigating the effects of the recession and getting people into work was outlined to the Scrutiny Panel. The collection of projects was largely financed by the Government's 2009-2011 Working Neighbourhood Fund (WNF) programme of £4.1 million plus additional external funding sources. Projects were divided into 4 groups and were delivered via contracts/service level agreements within the Council and external providers.

- Pathways to Prosperity: £1,919,000 (and £480,000 of London Development Agency (LDA) match funding)
- Skills and Training: £1,187,000
- Supporting Business: £1,416,000 (and £568,000 match funding from European Regional Development Fund (ERDF))
- Invest in Enfield: £440,000 (and £150,000 ERDF match funding)

An additional £923,000 Department of Work and Pensions (DWP) Future Jobs Fund (FJF) grant was also allocated to Pathways to Prosperity. With over £3.3 million allocated towards various Pathways to Prosperity projects in 2009-11 it is evident that attention was focussed on target driven interventions aimed at addressing barriers to work such as childcare, self esteem, language, lack of skills and health problems.



5.5 The Council's earlier 2006-9 Local Area Agreement programme, which included a target to get residents into jobs lasting only 13 weeks, had worked with client groups that included lone parents, 16-24 year olds, over 50's, BME, and those with mental health conditions.

5.6 The 2009-11 Pathways to Work projects included:

- Targeting disadvantaged client groups in deprived Wards using a Council brokerage service (Jobsnet) to get people into jobs for 26 weeks, mentoring of very excluded clients and referring them to Jobsnet, benefits advice, and helping unemployed people with mental health conditions.
- A Summer Work-Out - paid work experience for school leavers
- A programme for young people using FJF finance.
- Apprenticeships and pre-apprenticeships.

5.7 The Skills and Training projects included:

- Family support projects lead by Education, Children's Services & Leisure (ECSL)
- ESOL (English as a Second or Other Language) courses to improve language skills for those seeking employment
- Promoting volunteering as a pathway to employment.

5.8 Concern was expressed by Working Group members that some families did not aspire to be employed and therefore this generational barrier also needed to be addressed through joint working with other agencies and Council departments via outreach work.

5.9 The Group were advised that a working families pilot project was planned, led by ECSL using £385,000 WNF funding, to help 25 families in the south west of the borough and 25 in Enfield Island village. The Working Group were concerned to learn that the multi-disciplinary project to get 35 into jobs and 15 to gain skills for employment had foundered due to a lack of capacity. The Working Group felt that, in order to combat inter-generational unemployment multi-disciplinary programmes targeted at areas with very high rates of out-of-work-benefits should be piloted and that brokerage services should be co-located with other services in a high profile community setting or local shopping centre.

5.10 The Cabinet Member noted that Edmonton Leaside Partnership has agreed to a pilot multi-agency project for a neighbourhood scheme (physical, social and economic) which includes Enfield Homes (ALMO) properties and includes Housing Revenue Account money.

5.11 Over time the WNF allocation has been reprofiled, following under spends (projects not starting), or Government funding cuts such as the FJF and the Local Area Agreement Performance Reward Grant. Cuts in Central Government grants (Connexions and the WNF) have caused a budget gap. Future European funding (European Social Fund which provides skills training and the European Regional Development Fund) previously administered and

match funded by the axed London Development Agency, is unclear. The GLA has suggested that London Boroughs could match fund European funding in future. Funding reductions necessitate political choices to be made on provision/and or commissioning of support services.

5.12 As in other local authorities, the recession has led to greater consideration given to creating jobs and enterprise. In 2010 the demand-side was to be strengthened by encouraging inward investment, assisting employers to get their vacancies filled by local residents, developing stronger business relationships and responsiveness between the Council and businesses through regular forums, and examining the potential to realise a green industries cluster. WNF has been used to develop engagement with employers, research into the needs of the business, and commissioning support for small businesses and start-up companies.

5.13 The Council is currently looking to regional strategies in London and the Upper Lee Valley, including working with the North London Strategic Alliance, and promoting rail and electricity infrastructure improvements in order to attract enterprise.

## **6. Support Agencies/Providers**

6.1 Categories of unemployed which may be helped by support agencies were outlined:

- Skilled, graduate and semi-skilled workers who had the knowledge and initiative to find jobs without much assistance
- People who had been unemployed for up to 6 months – the core of Jobcentre Plus activities. It was often easier for them to help them get back to work.
- Those unemployed for longer than 6 months, who were difficult to enthuse, usually low skilled often from disadvantaged communities. The Council's Jobsnet had been set up specifically to help this group.
- Long term benefit recipients.

6.2 The main types of support agencies for getting people into employment were outlined to the Working Group:

- Jobcentre Plus which has a statutory responsibility to assist the unemployed to find jobs
- Council agencies such as Enfield Jobsnet. There are also many vocational and educational skills providers aimed at all ages.
- External organisations, some private, and some grant funded voluntary/community groups deliver funded vocational training courses or job brokerage to help people back into work or to make people work ready.
- Private sector employment/recruitment agencies in borough which specialise in recruitment to particular sectors but many require higher skill levels.

6.3 The Working Group began a web-based review of organisations. It was difficult to assess the currency of the information and it was known that the number of organisations providing support services fluctuated depending upon funding availability. The Economic Development Team commissioned research into the roles of these agencies with the aim of providing a better co-ordinated approach to job brokerage. The Working Group agreed to await the findings of the brokerage report.

6.4 The Review of Job Brokerage Services, March 2011, found that the Borough has a healthy base of employment-related service providers catering for a wide range of residents with a wide range of needs. Support groups covered young people, older people, disabled, refugees and asylum seekers, parents, long term unemployed, BME groups, women, ex-offenders and the employed.

6.5 Uncertain funding makes some services vulnerable to closure e.g. English as a Second or Other Language (ESOL) services due to changes to the Skills Funding Agency regulations. This is of significance since Enfield employers were generally happy with the quality of the service they received though there were concerns expressed about English language skills of potential recruits.

6.6 Activities delivered by the organisations included: initial assessments, training needs, accredited and non-accredited training, ESOL, basic skills, information advice and guidance, vacancy sourcing, in-work support, benefit calculation, work placements, interview assistance, action planning and condition management (for people with disabilities or work limiting health conditions).

6.7 The main funding sources for these providers are Enfield Council (WNF), Department of Work and Pensions/Jobcentre Plus, London Development Agency (LDA), Skills Funding Agency, London Councils and other London Boroughs.

6.8 LDA funding will cease on 1 April 2012 and will affect a number of providers, including Enfield Jobsnet which receives funding through the North London Pledge 2. The Working Neighbourhood Fund has not been extended, nor Future Jobs Fund.

## **7. Public Sector Support Agencies/Providers**

7.1 **Jobcentre Plus/Department of Work & Pensions (DWP).** In 2009/10 Jobcentre Plus (JCP) referred 8,937 people into training and 8,397 Enfield residents came off the unemployment register. It works with partners to deliver services to help people get the skills they need to get into work. The Brokerage Report notes that many current providers are reliant on JCP for referrals, though under the Work Programme this may change. The future number of employment related service providers in the Borough will depend upon who is contracted to provide Work Programme services, or secures alternative funding.

7.2 The Government Work Programme regional contracts to major organisations (Prime Contractors) were announced in April 2011. The prime contractors in the West London Area (Enfield's region) are Ingeus UK Ltd, Maximus Employment UK Ltd and Reed in Partnership. The Work Programme contracts are to be based on payment by results but with greater flexibility than previously. Delivery is sub-contracted to other agencies. Reed in Partnership will sub-contract to the Tamil Relief Centre and Urban Futures. The Council was concerned about the terms and conditions for sub-contractors, which could give rise to high risk and cash flow difficulties, and therefore did not bid.

7.3 Once the Work Programme is implemented most of the Jobcentre Plus programmes currently on offer will be phased out, though current arrangements will continue until the new structures are in place. The new role will include:

- Supporting the setting up of 'Work Clubs' to help unemployed people meet on a regular basis to share contacts, ideas and support each other. The clubs will be supported by JCP but not funded by them.
- Volunteering, as a means of enhancing skills and motivation, will be promoted by JCP. Clients will be referred to Enfield Voluntary Action.
- JCP will target work experience provision, lasting 2-8 weeks, at 18-21 year olds.

7.4 Under the new scheme clients will be mandated to refer to the Work Programme e.g. over 25s after 12 months unemployment, 18-24 years of age after 9 months unemployment. It was pointed out that although approximately 9,000 over 25s are unemployed in Enfield only 1000 are unemployed for 12 months. Therefore a substantial number will not be eligible for support.

7.5 The new welfare reforms result in JCP having to migrate large numbers of claimants from Incapacity Benefit to Employment Support Allowance, with more claimants expected, therefore, to be looking for work.

7.6 The Working Group remarked on the various Council departments already working with hard to reach and disadvantaged families and the need for a coordinated approach with JCP and other agencies in improving the economic and social circumstances of these residents. JCP have not focussed on long term benefit claimants in the past.

7.7 To reach a wider section of the community it was proposed that delivery of brokerage services be co-located with other local services in a community hall or local shopping centre. Projects would be more visible to residents and help break down inter-generational worklessness.

7.8 **Enfield Jobsnet**. Members visited Jobsnet where brokers specialise in working with long-term unemployed residents, getting them job ready and getting them into employment. It has operated since 2006 and is based in Edmonton Green (with 2 new outreach offices in Ponders End and the Ladderswood Estate, Arnos Grove). It also undertakes outreach work in the 3

JCP centres in the borough in addition to Vincent House, Enfield College and local libraries. Jobsnet works many partners including JCP, colleges, local training providers, Council teams and has established links with local employers.

7.9 Most of Jobsnet clients have been unemployed for longer than 6 months and are usually low skilled. In cases where clients have poor literacy and language skills they are referred on to training providers or voluntary organisations. Residents access Jobsnet on a self-referral basis and therefore demonstrate a willingness to work.

7.10 Job fairs are held 3 or 4 times a year. A job fair event coincided with the opening of Asda in Edmonton Green which over 1000 people visited. A similar event was arranged for Green Star.

7.11 The Jobsnet team consists of a seconded benefits advisor, over 50s advisor, young people's advisor, two general brokers, and a skills tutor to help with CVs and online job searches. There are plans for a broker to liaise with local registered social landlords. Jobsnet also has a Condition Management support programme for people with poor physical or mental health which utilises occupational therapists.

7.12 Over the course of 2 previous contracts Jobsnet saw 518 long-term unemployed with over 150 starting work. Twenty out of 150 clients with disabilities started work, 22 out of 150 lone parents started work, over 1,100 people from BME groups were seen and 240 over 50s were seen. Previous Local Area Agreement targets 2006-2009 involved getting people into work for 13 weeks only. However Jobsnet told the Working Group that 80% of people who gained employment using Jobsnet continued to work.

7.13 Since February 2010 Jobsnet have been involved in the North London Pledge 2 programme (£2 million from the LDA to Enfield, Haringey and Waltham Forest). The Enfield target is support 400 people to get into work, 180 of which to start work and 132 to sustain in work for 26 weeks (these will be monitored until July 2011). This funding enabled the establishment of satellite officers in Ponders End and Ladderswood Estate, Arnos Grove. Participation in programmes to deliver targets has, however, constrained what Jobsnet has been able to offer to clients and to which clients they were able to offer their services.

7.14 All but one of the Jobsnet team are funded externally. It has been agreed that a WNF carry-forward has been used to fund Jobsnet for 3 months until July 2011. Members were informed in March 2011 that the Council will receive a further £250,000 North London Pledge funding to enable the continuation of some of the job brokerage schemes which would otherwise have been discontinued. Consideration will need to be given whether to support Jobsnet from core funding if external sources are unavailable.

7.15 **Enfield Education Business Partnership (EEBP)** is a Council Service Centre within the Schools and Children's Services Department (ECSL) which

develops links between schools and businesses. It receives funding from school budgets and other contracts.

7.16 Two main programmes are provided:

- Work Experience
- Work Related Learning Activities (including a range of vocational taster courses for 14-16 year olds).

7.17 Work related learning activities take place in schools and aim to develop employability skills including soft skills. In 2009-10 3,800 work experience placements were arranged for young people aged 14-18 attending Enfield's schools and colleges. The Working Group was supportive of the current one-off work experience placement for 15 year olds but would welcome more placements to enable a wider range of experience to allow informed choice.

7.18 Work experience provides an opportunity for businesses to contribute to local communities, however, the Working Group were told that work placements for young people were difficult to source and that a mechanism put in place to reward employers may help.

7.19 The Working Group also suggested that the skills and expertise of the EEBP could also be used to help the 19-25 age range, though EEBP advised that this would require a revised business plan to address capacity and funding.

7.20 **Enfield Training Services (ETS)** is part of ECSL, though funded through agreements with external agencies. It has on average 180 young people (aged 14-19) at any one time on programmes (approximately 250 young people per year). It provides two main programmes:

- Apprenticeships/Pre-Apprenticeships
- Entry to Employment/Foundation Learning.

7.21 Referrals often are by word of mouth from previous and existing learners. The recession has impacted on the ability of young people to gain jobs as apprentices. Colleges and schools are now recruiting or retaining cohorts of learners that usually they rejected in past years and who were natural ETS recruits. Recruitment and retention levels have therefore been affected which impacts on ETS's financial viability.

7.22 The small group nature of ETS and its labour intensiveness make it an expensive service to provide. A 35% funding cut from 2012 has been announced and ETS anticipate they will need to join up with other providers if they are to survive.

7.23 The Working Group made the following suggestions to secure the long term future of ETS:

- joining the proposed Council trading company to develop other services, such as Health & Safety.
- enhanced engagement with the EEBP.

7.24 ETS were contracted to deliver the Council's Summer Work-Out programme in 2009. This was initiated by the Mayor of London (using £50,000 of LDA funding and WNF match funding) to provide paid 4-week jobs for school leavers. One hundred and two young people in Enfield were placed in public sector paid jobs. The Council repeated this scheme for 60 school leavers in 2010 using £40,000 from the Council's WNF resources, although only 47 school leavers were recruited. The Working Group was told that it is hoped to run this in 2011 using carry-forward WNF money.

7.25 ETS were also contracted to deliver Motive8, a pilot training and work programme targeted at the most difficult and hard to reach young people such as youth offenders (with an allocation of £212,000 from the WNF programme). 59 young people have participated in the programme.

## **8. Private Sector Support Agencies - Home Training Community Interest Company (HTCIC)**

8.1 HTCIC creates jobs for young people by providing additional business skills training to the companies who take placements (paid from DWP funding). It ensures the employers are fit for purpose by delivering professional consultancy services where required. These placements are primarily in small and medium sized enterprises (SMEs) and micro-businesses. The Brokerage Report notes 'the difficulty in targeting and engaging SMEs' which illustrates how innovative HTCIC's strategy has been.

8.2 Working with a variety of SMEs requires a more tailored and customised approach unlike JCP which is driven by regulation and the large number of job seekers. JCP had to adopt a standard process-driven approach to job brokerage rather than a more flexible approach, although new changes in job creation initiatives to payment by results will impel job brokers and providers to change their approach.

8.3 Large corporations, it was noted, operate on bottom line accounting principles and cutting staff costs is almost their first action to reduce operating costs unlike smaller companies.

8.4 The DWP's Future Jobs Fund was successful because salary costs were met by the scheme but jobs were only for 6 months. HTCIC recruited over 750 NEETs for 26-week work experience placements, over 62% of which had become full time permanent jobs at the end of the FJF programme. HTCIC welcomed that the Government is moving to payment by results policies and focus on job sustainability.

8.5 The Local Economic Assessment shows that in Enfield there are 40 businesses which employ over 250 employees, of which 30 employ 250-499 people, 5 employ 500-999 people and 5 employ over 1,000 people (July 2011). Given the number of employers with a smaller workforce the Council should engage further with SMEs to develop opportunities for job creation.

## **9. Moving into Self Employment – Enfield Enterprise**

9.1 A Working Group member suggested that self employment was looked at as an option. ONS data shows 20,200 self employed people in Enfield in 2010 (9.9% of the workforce). Self employment includes sole traders, partners and partnerships, consultants and contractors.

9.2 Enfield Enterprise (EE) has been operating for 25 years, liaising with 1000 people per annum of which approximately 78% come from BME communities and 57% are women. A range of free and chargeable services are offered together with support from freelance business advisors. Courses are promoted by advertising widely in the local press, in libraries and by attending employment events in Borough. Funding sources include commercial sponsorship and London Development Agency.

9.3 Due to high unemployment rates more people are considering self employment as an option. During 2009, 24 women undertook a women specific training programme of which 16 started trading. Sixty-five new businesses started last year.

9.4 A Work Club has already been set up of which 10% expressed an interest in self employment (members of the Work Club were sourced from other job brokerage agencies such as Jobsnet. EE hope to involve SMEs in the Work Club to support clients via work placements and sustainable employment.

9.5 The Working Group suggested the possibility of EE developing a volunteering scheme by freelance business advisors. Also the bringing together of unemployed people with specialist experience in different business skills may also prove a springboard to further business start-ups.

9.6 Subject to gaining funding EE hope to set up an Enterprise Club in the future with referrals from other agencies. A pilot enterprise scheme in St Helens, for example, had 540 referrals from Job Centre Plus, a number which would overwhelm the present number of EE mentors.

9.7 Potential plans include a part-time start-up business advisor to undertake outreach work at youth clubs, BME community centres, schools and colleges. They have no outreach at present. A closer ongoing liaison with larger businesses and identification of their training needs would enable EEs role to be expanded to that of a job broker.

## **10. Local Employer Perspectives**

10.1 Local employers showed goodwill and are keen to get involved in job creation and sustainability.

10.2 **London Bread and Cake Company.** (LB&CC) based in Edmonton stressed the importance of safeguarding employment as well as creating new jobs for local people. Smaller companies are concerned at the prospect of laying off valued staff (referred to also in HTCIC's presentation to the Working Group).



10.3 Innovative use was made by LB&CC of spare capacity in the company by sub-letting parts of its premises and facilities to small companies, sharing procurement and delivery costs. This co-operative model worked well in ensuring sustainability of multiple businesses and generated environmental savings.

10.4 The company had also diversified its workforce to provide in-house and external services, such as decorating and vehicle maintenance, so as to sustain employment.

10.5 Most staff were low skilled but NVQ level 2 training to 25 staff was provided within the company. The company works with 5E in placing apprentices within company.

10.6 The Working Group felt that many more companies needed to be more proactive in attracting local applicants. LB&CC suggested that local labour should be given more importance in the Council's tender contracts. They have experience of Councils that do not give contracts to prospective suppliers who do not employ local labour. The Working Group were pleased to be advised in April 2011 that the corporate procurement processes had been amended to enable more local businesses to obtain contracts from the Council.

10.7 The Working Group was also in favour of the Section 106 agreement model clauses that had been established in 2010, including a condition that local people should be employed. The GE site on the A10 had included requirements that local construction firms be used and that contractors should supply skills training and apprenticeships for local people. Defaults would result in penalties. The Working Group felt that the Council should strengthen their procurement contract clauses and Section 106 clauses to encourage local job creation.

10.8 **Fusion (Enfield)** discussed training in the active leisure industry. Fusion operates leisure centres nationally and is contracted to operate 3 in Enfield. The majority of staff employed in the Boroughs leisure centres live locally. Fusion provide leisure industry apprenticeships for the over 18s by working with the training organisation Lifetime, using Government training grants. Fusion also provides in-house training via a network of training assessors.

10.9 The company regularly attended job fairs, colleges and recruitment events. Major developments planned shortly at two of the centres will create demand for additional staff and they are keen to employ local workers.

10.10 Local colleges provide leisure related training but there is a shortage of appropriately qualified life guards. The Economic Development Team agreed to explore the possibility of identifying Council funding to support some local candidates to become qualified lifeguards in order for them to secure interviews for future posts.

10.11 **Ardmore Group** is one of the Borough's large employers with a workforce of more than 500 at its head office and factory in Enfield. It has construction sites nationally. The company regularly attends the Enfield Strategic Business Forum established in 2010.

10.12 Ardmore believes that the Council's communication with the commercial sector is crucial and there must also be strong political leadership and proactive economic development. The Council must be a major driver, for example, in getting local labour into new companies, where the Council should be talking to the company about its recruitment needs 6 months in advance.

10.13 Ardmore has recently appointed an employment and skills co-ordinator. They are signed up to Homes and Communities Agency's employment and skills targets (with regard to apprenticeships in HCA's investment programmes), are involved in school visits and graduate placements. They are developing modules in partnership with Southgate College and CoNEL e.g., administration, IT and construction to meet their requirements for quality training and skilled people. It has a training centre to assess trades people (of any age) and provides pre-apprenticeships skills training. CoNEL apprentices have been placed with Ardmore for 6 months.

10.14 Notting Hill Housing Association's Construction Training Initiative (in partnership with the Council) is also providing paid work placements in the Borough for construction apprentices of all ages. The housing association is working on 4 sites in the borough but trainees can also access placements at building sites managed by 25 partner housing associations.

## **11. Soft Skills and Partnership Working**

11.1 The **Arc Theatre** in Barking considers that taking part in drama makes people more employable by improving communication skills, confidence, team work, self management and emotional intelligence.

11.2 The Brokerage Report states that many providers cited soft skills as being the most important area of development acquired by their clients. Clients without work experience and barriers to employment need to have their confidence raised. The report suggests that the Council might wish to consider providing funding for providers to deliver soft skills related activity. Soft skills are covered in EEBP's work related learning activities for under 18s.

11.3 A suggestion was made by the Chairman that 'forum theatre' involving audience participation could be taken into providers/employers, using it as a means to address the issues of worklessness and employability. The Working Group also endorsed sport as a medium to develop team work skills and building of self confidence which were transferable to the journey into work.

11.4 Arc stressed the importance, in their company's experience, of creative leadership and the need for an enhanced relationship between local authority

decision makers and leaders of the voluntary sector organisations. Support for social enterprise and partnership working between council, social enterprises, voluntary and community sectors as well as the private sector was advocated.

11.5 Good practice in working with the voluntary sector does exist in Enfield, evidenced by the 'Enfield Compact' and the representation of the voluntary sector at the 'top table' of the Enfield Strategic Partnership's decision making pathway (although it is of note that the Employment and Enterprise Thematic Action Group, a sub group of the ESP, started meeting again in early 2010 following a year in which it did not meet).

11.6 Working Group Scrutiny support met Christian Action Housing Association, a registered social landlord. Five young people from their supported housing units were recruited to a new social enterprise company 'Neighbourhood Estate Solutions' which provides cleaning, maintenance and gardening services with the aim of delivering training and long term employment (£25,000 was allocated in the Supporting Business section of the Council's WNF programme). Other social enterprise schemes were proposed in the WNF programme – a nursery and creation of a voluntary and community sector SME with allocations of £125,000 and £90,000 respectively.

## **12. Conclusion**

12.1 The main findings and recommendations are outlined in Section 2 of this report. Short-term projects and funding regimes, driven by targets, has acted as a constraint on finding local solutions to local problems. Strong local authority leadership is required to focus on long-term solutions, in co-operation with private, public, voluntary and community sectors, to both get people into work and create the jobs Enfield needs.

## **13. ALTERNATIVE OPTIONS CONSIDERED**

Recommendations and findings are included in the body of the report.

## **14. REASONS FOR RECOMMENDATIONS**

These are dealt with in the Executive Summary, Recommendations and Foreword from the Chairman of the Working Group.

## **15. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **15.1 Financial Implications**

The purpose of this report is for the Cabinet to provide a response and at this stage does not itself directly commit the Council to additional expenditure.

The level of support and resources required for the findings and recommendations of the review and options for funding need to be considered as part of the response from Cabinet.

## **15.2 Legal Implications**

- 15.2.1 Section 2 of the Local Government Act 2000 provides the Council with the power to do anything it considers likely to promote or improve the social, economic or environmental wellbeing of their area or residents. Tackling worklessness is an important priority for the Council. There is no express prohibition, restriction or limitation contained in a statute against use of power in this way.
- 15.2.2 As set out in the Statutory Guidance on use of the well being power, when eligible Councils undertake any activity in pursuit of one or more of the wellbeing elements, the well-being power enables them to incur expenditure, and specifically identifies the provision of financial assistance as one means of doing so.
- 15.2.3 The Council must ensure that Best Value is sought and achieved, when considering any schemes to tackle worklessness, in accordance with the Local Government Act 1999, which requires local authorities to show continuous improvement in the exercise of all functions of the authority, whether statutory or not, having regard to a combination of economy, efficiency and effectiveness. The proposed scheme is intended to meet best value obligations.
- 15.2.4 Should the Council allocate any funding to any organisation to support this scheme, such must be non-discriminatory, transparent, equal and proportionate to ensure that the Council is not challenged by organisations that are unsuccessful in bids for funding on the grounds that the Council was showing favouritism by not following these principles.
- 15.2.5 Provision of any services must be in accordance with the Councils Constitution, in particular Contract Procedure Rules and must not be anti-competitive.
- 15.2.6 Where required, funding agreements must be in a form approved by the Assistant Director of Legal Services.
- 15.2.7 Equalities Impact Assessments must be carried out with regards the scheme and be reviewed regularly.

## **16 KEY RISKS**

The recommendations suggested should mitigate issues to date around focusing on processes, short-term projects and funding regimes driven by targets.

There is an opportunity, particularly with the Commission, to work more effectively with key partners to find effective long-term remedies for worklessness.

## **17 IMPACT ON COUNCIL PRIORITIES**

### **17.1 Fairness for All**

Workless residents experience poverty, low skills, benefit dependency, poor housing etc. If accepted, the report's recommendations will contribute to the increase in availability of suitable jobs, improved skills, reduction in dependency and make Enfield's communities more equal.

### **17.2 Growth and Sustainability**

Economic development in the Borough is a key priority for the Council. Implementation of the report's recommendations will help increase inward investment and the provision of jobs and training.

### **17.3 Strong Communities**

There is strong evidence that high levels of worklessness have an adverse effect on the development of strong communities. The report's recommendations will contribute to the reducing the number of workless residents and contribute to the development of stronger communities.

## **18 PERFORMANCE MANAGEMENT IMPLICATIONS**

Implementation of these recommendations will make a positive contribution towards the achievement of a range of corporate performance indicators.

### **Background Papers**

Scrutiny Papers are held on file and are available on request from the Scrutiny and Outreach Team.