The purpose of this report is to update Members on the production of the City Strategy Operational Plan for Manchester.

It is recommended that Members:

(i) Note the contents of the report.

None

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1.0 Introduction

1.1 The purpose of this report is to update Members on the production of the City Strategy Operational Plan for Manchester.

2.0 Background

2.1 Greater Manchester has been selected by Government as one of 15 areas nationally to develop and run a City Strategy. This is an initiative arising from the Welfare Reform Green Paper that encourages local areas to form delivery consortia to reduce the numbers of people in receipt of workless benefits.

2.2 The City Strategy in Greater Manchester involves all 10 local authorities, Jobcentre Plus, The Learning and Skills Council and representatives of the voluntary and the private sector. Together the consortium has submitted a business plan to DWP setting out how Greater Manchester will reduce worklessness in the sub region. This includes targets to reduce the number of benefit claimants in Greater Manchester by 16,900 within the next 3 years.

2.3 The City of Manchester has by far the largest number of people on workless benefits of any of the Greater Manchester authorities. As Members will recall there are around 60,000 people in the city in receipt of incapacity benefit, income support, or job seekers allowance. Manchester has one of the lowest employment rates of any local authorities in the country at 61%. To achieve parity with the national employment rate of 75% Manchester would have to reduce the number of people claiming benefits in Manchester by 12,500.

2.4 This target has formed the basis of the development of the Greater Manchester business plan and the focus for reducing worklessness in the city. Achieving this challenging target is expected to make a significant contribution to the regeneration of Manchester’s most deprived areas.

3. Local Delivery Arrangements

3.1 Within the Greater Manchester business plan each local authority will need to develop local operational arrangements to target the delivery of services. This will need to include both influencing mainstream activity and using additional discretionary funds to improve the engagement of local residents and their progression into work.

3.2 In Manchester, the City Council has taken the lead role in developing local delivery arrangements and is in the process of finalising an operational plan for April 2007. Activity in the City recognises the connections between worklessness and other forms of exclusion – with unemployment being both a cause and a consequence of multiple
deprivation. The operational plan has three core elements that are explained in further detail below. These elements are:

- substantially increasing the number of workless residents that are engaged in employment and training activity in the city;
- improving the quality and the effectiveness of employment support and training services; and
- supporting employers to recruit local residents and reduce the flow of people out of work and into workless benefits.

3.3 To achieve these objectives Manchester will need to have the full support of organisations across the public, voluntary and private sector to target and support local residents.

4. Engagement of workless residents

4.1 To be able to achieve the target of 12,500 people off of benefits and into work in Manchester there needs to be much improved engagement and support of local residents. Under current arrangements it is only claimants in receipt of JSA that get regular access to employment support services, where other programmes are available these are largely of a voluntary nature.

4.2 While Jobcentre Plus is the primary public sector agency for the delivery of employment support services they cannot generate a high enough level of participation on a voluntary basis to meet the targets set by Manchester. However, there is a range of other agencies that also provide services to workless residents that could and should be supporting Manchester’s employment agenda. By using this additional and existing partner capacity, Manchester aims to greatly increase the range of access points to employment support available to local residents.

4.3 Within Manchester operational plan there are actions that will establish a wider network of agencies that can provide first line employment advice, information and signposting services. The aim of this being to extend the reach of City Strategy into the most excluded communities but moreover to align the delivery of public services. Within the operational plan this will include the following actions and initiatives.

- With Children’s Services provide tailored and intensive support for workless lone parents in Manchester operating from the established Sure Start Children’s Centres.
- Pilot employment support services in GP surgeries across the city – working with the health sector to identify people on statutory sick pay and IB that could, with support, return to work.
- Train RSL housing staff, and use housing offices, to deliver employment support within the most deprived communities.
• Support voluntary organisations to offer information and signposting services and to refer workless clients into the City Strategy programme.

4.4 The principle agreements for the above actions are in place and will be delivered into the community from April 2007. These services have been specifically targeted at 24 neighbourhoods across the city that exhibits the consistently worse labour market position. The delivery will be managed as a programme by the City Council and directed locally by the Regeneration teams. This will ensure that there is a capacity within local areas to oversee the delivery of City Strategy, that there is an opportunity to tailor activity to fit with the local circumstances, and to enable Members engagement through ward co-ordination and the emerging Public Agency Fora.

5.0 Improved employment support services

5.1 With improved engagement and larger volumes of people interested in returning to work there is a need to ensure that employment support services have the capacity to meet demand. This means both existing mainstream services delivered through Jobcentres but also other services to improve the skills and overcome the practical barriers to work that are experienced by Manchester’s residents.

5.2 Jobcentre Plus will continue to provide the ‘front door’ to formal services and benefits, but within the City Strategy partnership there will be a number of additional support arrangements to help residents to tailor services to their needs. This will include investments in additional subsidised childcare places for lone parents that are looking to return to work, the targeting of additional ESOL in those communities where languages are the main barrier to employment and increased provision of adult careers information and advice in the community and integrated into first step learning provided by Manchester Adult Education Service.

5.3 Within the operational plan there are a range of activities that will be supported to shape the provision of employment support services to fit with both the needs of the most deprived areas and the needs of individual claimants. This will include the following actions and investment.

• Investment in Manchester’s successful Stepping Stones project that is supporting people on Incapacity Benefit return to work. This will be revised to fit with new programmes such as Pathways to Work and targeted at the most excluded sections of the community.
• Promoting access to learning opportunities through community venues such as libraries and voluntary organisations. With linked employment support this will increase the number of learners in Manchester and provide progression routes into further education and work.
• Extension of the East Manchester guidance promoters project – the recruitment of local champions to offer support and advice to local residents to make the most of the services available.

5.4 Central to the above actions is getting the mainstream to work more efficiently and effectively in the delivery of services. Through the City Strategy partnership there will be additional community based capacity to support local people. This must bring added value to existing services and overall significantly increase the volume of activity if it is to be successful.

6.0 Supporting employers

6.1 For the first time in a generation the availability of jobs is not a constraint to the employment of Manchester residents. However, there are major issues about how City Strategy supports local people to access and remain in work that are addressed within the operational plan. Currently there is no single agency or mechanism to work with and support local employers and to ensure the local people are able to compete for new and vacant jobs. There are also weaknesses in the coverage and the effectiveness of those services that are available.

6.2 With local partners, including local business organisations, the City Council will lead a review of employer engagement in Manchester during 2007/08. This will run in parallel to a major programme of funding that will improve access to and retention in work. This programme has three key elements.

• With the Health and Safety Executive provide occupational health advice to SMEs. The aim of this is to significantly reduce the number of people falling out of work into long-term benefits. This will be linked to activity with GPs to assist individuals to manage health conditions in employment.

• Improve job brokerage arrangements in the City. There are a round 50,000 vacancies in Manchester and surrounding areas each year that local residents should be competing for. Through a commissioned service businesses will be able to access support with their recruitment needs and encouraged to recruit locally from among workless residents. Additionally, specific arrangements will be put into place to achieve local benefit from major infrastructure projects and investments in the City. Individuals will be assisted with employment advice and training to improve their competitiveness for the vacancies identified.

• The creation of a tailored programme of support for employers and their staff to retain new employees in work. Once placed into employment there will be a range of practical issues that may force residents back onto benefits. The service will focus on this issue and ensure that employment support is able to achieve higher
levels of retention. Linked to this will be promoting Train to Gain and Apprenticeships encourage employers and their staff to invest in skills and raise the productivity of employees.

6.3 With the support local employers there is an opportunity to substantially reduce the number of people falling into long-term benefits. With, for example, an average of 500 new claims to Incapacity Benefit each month, stemming the flow of claimants will have a major impact on the number of claimants overall.

7.0 Performance Management

7.1 The evidence and analysis underpinning the development of the operational plan has also been used to set spatial priorities and local area targets. These will be used to performance manage the delivery and future development of City Strategy in Manchester. Specific area targets linked to partner and commissioned service activity will be set by the Council to manage local activity. These will provide a counterpoint to the changing levels of benefit claimants registered by DWP and the key performance measure of the city employment rate.

7.2 There is significant funding, in addition to the mainstream, available in Manchester during 2007/8 to support City Strategy. After this however, the picture is less clear following the end of NRF in March 2008. The key challenge for City Strategy is to create a new culture and working arrangements between public, private and voluntary sector organisations to address worklessness. Therefore a key performance management issue is how effectively these new arrangements are working and how far new relationships are can be embedded as standard working practices.

8.0 Next Steps

8.1 The City Council will be finalising the operational plan by the end of March with new services being rolled out from April 2007. The City Strategy programme will be closely monitored to ensure that it is responding to local needs and reported back to Members.

9.0 Recommendations

9.1 Recommendations appear at the front of this report.