

Report to:	TOURISM, RESOURCES AND ECONOMY SCRUTINY COMMITTEE
Relevant Officer:	Peter Legg, Head of Economic Development
Date of Meeting	19 November 2015

EMPLOYMENT AND SELF EMPLOYMENT SERVICES (FOR ADULTS AGED 18+)

1.0. Purpose of the Report

- 1.1. To inform the Committee of the range of services delivered by the Council to assist unemployed residents to access local job opportunities or become self-employed.
- 1.2. The report includes a background to the services and how they are funded, as well as a brief description of newly planned programmes.

2.0. Recommendation:

- 2.1. To consider the scope of employment and self-employment services and to identify any further areas for scrutiny as appropriate.

3.0. Reasons for recommendation

- 3.1. To ensure members are fully informed about the range of services being deployed, what they are achieving and how they are being funded, as requested for the Committee.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

- 3.3. Other alternative options to be considered:

Not applicable

4.0. Council Priority:

- 4.1. The relevant Council Priority are:

- *Attract sustainable investment and create quality jobs*
- *Encourage responsible entrepreneurship for the benefit of our communities*

5.0. Background Information

- 5.1. The Council's Economic Development Division has a long and successful track record of assisting unemployed residents gain work or develop new start businesses. Its wider links with local businesses seeking to invest or grow has proved invaluable in terms of integrating business advice alongside recruitment support. This is seen as key aspect of the Council's role in developing the local economy, one of two key priorities in the new Council Plan.
- 5.2. There are two main services of note that the Council directly delivers:-
 1. **Positive Steps into Work** – a team of employment specialists based at Market Street operating a series of contracts and projects around employment support.
 2. **Get Started** – accredited business advisors and support staff based at Blackpool Enterprise Centre, part of the wider Business Support Team. Focus is on assisting pre and post business startups and businesses in first three years of trading.
- 5.3. **Positive Steps** started life in 2007 when a team of five was created to pilot ways of assisting inactive incapacity benefit claimants into work. With additional external funding it expanded its remit and created an outreach team operating in the most deprived neighbourhoods. The team went on to deliver and test ways of working with some of the most challenging working age groups including active and inactive claimants with health conditions long term unemployed, lone parents, young people aged 18-24 with limited skills/work experience and ex-offenders. The now enlarged team tested a range of delivery styles – intensive one to one advice, paid work placements with training, and structured volunteering combined with employer engagement. Very little if any of this was delivered with Council core funding – purely external funding or grants awarded to the Council (such as NWDA Worklessness Funds, Working Neighbourhoods Funds, European Social Fund, DWP Future Jobs Fund).
- 5.4. In 2010 the team came to a watershed moment as external grants quite literally dried up. The government was introducing one of the biggest employment support programme ever designed called the *Work Programme* – with large geographical contract areas. The team therefore put itself forward to deliver under sub contract and was fortunate to be selected as a supplier to a large prime contractor (A4e) on a five year contract (now extended to a sixth year until March 2017). The main impact on delivery was that much of the neighbourhood outreach disappeared as the team's focus became Fylde Coast-wide and a centralised delivery operation. The Work Programme supports longer term unemployed who have been with the Jobcentre for up to one year (shorter for

certain groups). The client stays with the Work Programme for up to two years, whether they fall into or out of a job, or fail to gain a job at all. After two years they return to the Jobcentre for other intensive measures.

5.4. Funding is earned in arrears based on attachment payments, job outcomes and in-work sustainability. It is a difficult programme to earn funding from as job outcome payments only occur at 13 or 26 weeks in a job depending on the client group and therefore many seasonal jobs can fail to deliver a financial reward. Small sustainability payments occur as long as a person stays in job after this point but can account for the majority of income. The transition from grant funding to sub contract delivery has been a huge learning curve for the team, necessitating more stringent performance management as well as a string of associated processes. The net impact is a leaner and more efficient team, highly attuned to commercial and project opportunities.

5.5. The team has been able to diversify its project work in the last couple of years with further targeted partnership work and income through the following projects:-

- *Healthy Futures (South Beach/Claremont)* offers individual support to those living in particular areas of the town and our Adviser is integrated into the Selective Licensing team who offer wider support to families. Aligned with the Wellness Service offer. Funded by Public Health.
- *Healthy Futures (Recovery)* offers employment support to clients in drug and alcohol recovery services ready to consider going back to work. It also includes HIV clients from the Shiver service. Funded by Public Health.
- *Healthy Futures (Clifton)* aiming to assist at least 100 residents in the Mereside area to become more work ready through an integrated package of advice, guidance and work-focussed measures, delivered in the community. The 12 month pilot project is funded from a combination of ward budgets, public health, and Blackpool Coastal Housing's Tenants Support Fund.
- *Chance2shine* – a work placement programme within the Council and via private and third sector organisations has been a particular success, aligning well with other programmes. This is now being piloted with the Lancashire Care Trust and other training providers. The Chance to Shine received the Fair Train Gold Standard for the quality of the work placements provided.
- *Support to redundant Council staff* – this has included a dedicated employment advisor, and work placement officer, providing advice, guidance, work experience placements, and financial assistance towards training and setting up a new business. Coordinated packages have also been provided in large scale redundancy situations outside the Council notably Blackpool Airport and Tangerine Confectionery.

- 5.6. In terms of future provision there are a number of significant projects and opportunities in the pipeline.
- *Mental Health and Employment Trailblazer* – this project, one of four national trailblazers, aims to test an integrated model of employment and clinical health support for up to 1,000 jobseekers in the Blackpool unitary authority area. The target group will be active Employment Support Allowance (ESA) and Jobseekers Allowance (JSA) claimants who are assessed as having a common mental health or behavioural disorder, likely to act as a significant barrier to gaining and sustaining employment. The primary aim of this model is to improve job outcomes for one the hardest to help cohorts in the labour market, evaluating its effectiveness alongside other national pilots. The £2.1m project is part funded by DCLG’s Transformation Challenge Award fund, and the European Social Fund (at full bid stage and therefore awaiting approval). It is hoped the pilot can commence from April 2016 and will run for two years. This will require a newly recruited team of 26 employment and health specialists.
 - *Work Programme Plus* – the next generation contract set to be commissioned shortly is likely to have much more focus on claimants with health conditions as it has not performed as expected at a national level for Employment and Support Allowance claimants. The team is well placed to respond given its current and proposed offer around health including mental health.
 - *Lancashire European Structural Investment Funds (ESIF)* – a potential project is emerging to support workless tenants in both the social and private rented sector to become more economically active. This is likely to require a new delivery model combining what works in housing, health, employment and skills to engage and move unemployed residents on. This is a project in development at a Lancashire level, with a specific Blackpool ask.
 - *Recruitment Agency* – this is an opportunity to expand the recruitment offer to employers on a fee paying basis. It may be that this could benefit the Council as well in terms of its own approach to employing agency staff.
- 5.7. A summary of the work and contracts delivered by Positive Steps is attached at **Appendix 9a**.
- 5.9. The combined Positive Steps team of around 40 staff including the new pilot team is due to be housed in the Council’s offices at 1 Clifton Street from Spring 2016. This aims to be a centre of excellence for employment and health.
- 5.10. **Get Started** was a key project of the Local Enterprise Growth Initiative funding programme awarded to Blackpool in 2006. This commissioned service provided essential start up advice and guidance to would-be entrepreneurs and young businesses in the first years of trading along with start-up grants and mentoring.

However, when LEGI funds ceased in 2011 the service was reduced and eventually brought in house during 2012 with a single business advisor.

- 5.11. Additional external funding via the Start Up Lancashire ERDF programme enabled the team to expand slightly and employ a second advisor along with a proportion of support staff, and a series of specialist courses, for example, around marketing, social media and bookkeeping. Due to funding constraints the grants element of the former LEGI offer ceased and the team assisted clients to successfully access the government's Start-Up Loans and other loan finance. Start-Up Loans have become significantly more difficult to access in the last year, due to tightening of eligibility criteria, with demand falling across the North West and in Blackpool.
- 5.12. The Get Started programme has helped almost 1,000 new businesses to start trading since 2007. It is delivered from the Blackpool Enterprise Centre.
- 5.13. More recent performance since it has been brought back in house is included in an **Appendix 9b** attached. It provides some useful data around enquiries, starts and survival rates. **Appendix 9c** provides a list of 10 successful start-up businesses that have gone on to grow both in terms of turnover and employment, and three case studies.
- 5.14. In terms of the future *Get Started* is vulnerable along with the Business Support Team as they are entirely dependent on Council core funding at present. External funding opportunities are being explored for Get Started, such as the ESIF opportunity above, and high growth startup provision in collaboration with other delivery partners. It is however more vulnerable to further savings requirements than the employment team which is not dependent on any core funding.

List of Appendices:

Appendix 9a - Project History – Positive Steps into Work

Appendix 9b - Get Started Performance

Appendix 9c – Get Started Clients

6.0. Legal considerations:

- 6.1. Legal considerations related to contracts that the Council enter into for delivery of sub contract arrangements and other external funds, with appropriate advice taken from legal and financial services.

7.0. Human Resources considerations:

- 7.1. Due to the time-limited nature of funded contracts the majority of staff are on fixed term posts.

8.0. Equalities considerations:

8.1. None arising from this report.

9.0 Financial considerations:

9.1. The employment services team exists entirely from income derived from contracts and projects rather than core Council funding. The Get Started team is wholly reliant on core funding at present until other opportunities arise.

10. Risk management considerations:

10.1. There is no risk attached to this report.

11.0 Ethical considerations:

11.1. None arising from this report.

12.0 Internal/ External Consultation undertaken:

12.1. Not applicable.

13.0 Background papers:

13.1. None.