



Leicester
City Council

OVERVIEW AND SCRUTINY MANAGEMENT BOARD 5th MARCH 2009

Report of the Regeneration and Transport Scrutiny Task Group review of issues relating to a community allowance

1. Purpose of report

- 1.1 To present the findings of the Task Group inquiry into issues relating to a community allowance.
- 1.2 To ask the Overview and Scrutiny Management Board to agree the recommendations set out in Section Two below.
- 1.3 To make recommendations to Cabinet as appropriate.

2 Recommendations

2.1 Internal issues

- 2.1.1 Through the Delivering Excellence programme a clear plan with established lines of responsibility should be included around the worklessness, enterprise and the skills agenda and the relationship between the two.
- 2.1.2 A deliverable action plan be established and agreed at both Corporate Directors' Board and Full Council to tackle the fundamentals of the anti-poverty agenda.
- 2.1.3 The various targets for worklessness, found in Local Area Agreements, Children's Centres, youth offending and other specific areas need to be drawn together so that different services can work more effectively and not 're-invent the wheel.'
- 2.1.4 Targets on worklessness and strategies to meet them should be brought together in a bi-annual report to Councillors with explanations as to what outcomes are being delivered and how these might be improved.

- 2.1.5 A strategic director assigned this responsibility should ensure data from the various worklessness targets are brought together centrally. It would be helpful if at this point briefing sessions are held for Members to allow them to understand how various targets and strategies are interlinked and what this will mean in their own ward and across the city.
- 2.1.6 When plans are being developed in any part of the Council around community facilities the opportunity to deliver services to reduce worklessness and increase skills is given full consideration and that the allocation of space for these services is given a high priority.
- 2.1.7 Through the establishment of a strategic director with responsibility for worklessness and skills links should be made between service areas to ensure appropriate partnership working between officers, thereby improving the deliverable outcomes for the City.
- 2.1.8 Analyse the existing community facilities run by the Council and look at ways of integrating employment and training opportunities services into the facilities to allow local delivery of services, which have better use and outcomes.

2.2 Partnership working

- 2.2.1 The many positive relationships which already exist between the Council and its partners need to be continued and built upon.
- 2.2.2 Identify partners who are already being worked with, and new partnerships which could be developed, to improve our ability to reduce worklessness.
- 2.2.3 There needs to be a clearly defined relationship between the Council and its partners with a key contact identified from each organisation, allowing a simple structure for development of policies and delivery.
- 2.2.4 The Council needs to be able to positively engage in the promotion and dissemination of national welfare reform campaigns, it employment support allowance.
- 2.2.5 The Council needs to build enough flexibility into posts and applications to allows wider engagement and to ensure our employment options are varied enough to work with alterations to national welfare programmes.

3 How the Review was conducted and the evidence presented

- 3.1 The origins of this Review lie both within work done at national level and interest within the City in devising ways to make the benefits system more amenable to people trying to get back to work or in other ways to become more economically active.
- 3.2 The issue has exercised the Government, and the Department for Work and Pensions issued a Green Paper on welfare issues.
(<http://www.dwp.gov.uk/welfarereform/noonewrittenoff/index.asp>)
- 3.3 This was published during the Summer of 2008 and the last regional consultation event took place on 24th October 2008.
- 3.4 The Department for Work and Pensions (DWP), published details of a new employment and support allowance regime, extensively revising existing incapacity support regulations, on 27th October 2008 (<http://www.dwp.gov.uk/esa/>).
- 3.5 Even before the Green Paper was published organisations at national and more local level were looking for ways in which to amend the welfare and benefits regime to provide more flexibility.
- 3.6 The CREATE Consortium (<http://www.communityallowance.org/>) has attempted to engage with organisations and councils at local level to develop pilot schemes for a so-called community allowance and other models for flexible access to paid work through changes to the benefits rules, either at national or local level.
- 3.7 A full version of the CREATE report is available through the link: <http://www.communityallowance.org/NR/rdonlyres/1C364683-86AD-4B56-8852-AFFCBD14E544/0/CREATEreportPDF.pdf>
- 3.8 The community allowance concept is defined in these terms by CREATE:

“The Community Allowance would enable a range of unemployed people on any benefit to undertake part time work that strengthens their neighbourhood without it affecting their benefit (including housing and council tax benefit and other benefits like free school meals and prescriptions).”

Participants would be allowed to register on the Community Allowance for a maximum of 52 weeks at a time.

The Community Allowance would be paid flexibly to suit an individual's availability for work and/or the sessional work that is available; but maximum earnings on top of benefits would be capped at £4,305 or the equivalent of up to 15 hours a week on the minimum wage.

Participants would be paid the minimum wage or more depending on the kind of work available and their skill base."

CREATE -

http://www.communityallowance.org/about_us/what_is_the_community_allowance/

- 3.9 At an early stage of the Review Councillors were interested in whether a pilot scheme for a Community Allowance could be established in Leicester.
- 3.10 CREATE, an alliance of community based organisations and sympathetic business concerns, wants to set up pilot projects around the country and has been in regular contact with the City Strategy Consortium, of which Leicester City Council is a member.
- 3.11 Claimants cited by the CREATE consortium as being most likely to benefit from their proposals match the groups targeted by the Leicester City Strategy programme – lone parents, people with disabilities, young people not in education, work or training and certain ethnic minority community groups.
- 3.12 Leicester's City Strategy programme is aimed at helping 1,220 claimants find sustainable work by March 2009. The programme is one of 15 pilots being funded by the Department of Work and Pensions. (The DWP has agreed to extend the funding of the 15 pathfinder authorities in the City Strategy consortium for a further two years beyond the previous March 2009 limit:
http://www.dwp.gov.uk/welfarereform/cities_strategy.asp refers).
- 3.13 The development of policy at national level by central Government led the Task Group to note the work being done on developing a model for the Community Allowance,
- 3.14 It concentrated instead on the ways in which resources at local level were being used to reduced worklessness within the city,

including working with strategic partners and also within the community.

- 3.15 The Task Group met on a total of four occasions. It took evidence from the Regeneration team, from major partners within the City, and conducted site visits and investigations at two job centres.
- 3.16 The difference between the approaches which were required and taken by these centres and the attached teams reflected the stark differences in the communities within which the centres operate.
- 3.17 Formal meetings of the Task Group took place on 11th March, 29th April and 6th October, with meetings with officials and in between and at local jobs offices on 14th July 2008.
- 3.18 The minutes of the meeting on 11th March are available through the link:
<http://cabinet.council.leicester.gov.uk/ieListDocuments.asp?CId=430&MId=2266&Ver=4>
<http://www.cabinet.leicester.gov.uk/ieListDocuments.asp?CId=430&MId=2266&Ver=4>
- 3.19 The minutes of the meeting of 29th April are available through the link:
<http://www.cabinet.leicester.gov.uk/ieListDocuments.asp?CId=430&MId=2282&Ver=4>
- 3.20 The minutes of evidence taken from the site visits on 14th July are available through the link:
<http://www.cabinet.leicester.gov.uk/ieListDocuments.asp?CId=430&MId=2571&Ver=4>
- 3.21 The minutes of the meeting the 6th October are available through the link:
<http://www.cabinet.leicester.gov.uk/ieListDocuments.asp?CId=430&MId=2618&Ver=4>
- 3.22 The March meeting of the Task Group reviewed the concept of the Community Allowance and agreed to take evidence from strategic partners involved with employment creation and economic development.
- 3.23 In April the Task group took evidence from Paul Murphy, of Business Builder/City Strategy, Marina Duckmanton, of Job Centre Plus, Marilyn Turner, of the Job Service Partnership, Andrew Ross, Leicester City Council head of Economic Regeneration and Linda Grubb, of Braunstone Working.

- 3.24 Paul Murphy set out the City Strategy framework, which also involved 14 other cities and was referenced by the CREATE report (see 3.10 above).
- 3.25 He stressed the need to form relationships with organisations such as Remploy and Job Service Partnership, Leicestershire Economic Partnership, Connexions and other key operators within the field of job creation, retention and opportunity provision.
- 3.26 Marina Duckmanton underlined the value of working with partners within the City. Among key issues she highlighted:
- 3.26.1 Government aspiration is to get to a 80% employment rate: Leicester is below this
 - 3.26.2 Some 12 wards in Leicester have amongst lowest employment rates in the country and some feature in the bottom 50 nationally
 - 3.26.3 Long-term unemployed people have low aspirations and low self-confidence
 - 3.26.4 Refugees and migrants have changed face of several wards e.g. St. Matthews area of Spinney Hills
 - 3.26.5 In some areas as people get trained they then move away to be replaced by other low skilled people (see 3.28).
- 3.27 Andrew Ross set out the importance the Council was putting on construction industry skills and training. He said these were not high priorities for many employers within the sector.
- 3.28 There was also a drive to reduce unemployment in the most deprived areas of the city in partnership with Hammerson at the Highcross development, which was seeking to recruit staff from among the most deprived communities in the City.
- 3.29 Linda Grubb, of Braunstone Working, described how the unit had been set up as part of the Braunstone Community Association.
- 3.30 She said it had to a certain extent been a victim of its own success, in that a number of people who had been helped into employment had then moved away from the area.
- 3.31 It worked with a number of other agencies to provide a “one stop shop” approach to employment and training opportunities.

- 3.32 Members of the Task Group were invited to see at closer quarters how the Braunstone Working and the Highfields multi-access centre, part of the City Strategy programmes, worked within their respective communities.
<http://www.leicester.gov.uk/your-council--services/ep/regeneration/workskillsprogrammes/work>
- 3.33 This involved visits to both centres. Cllr Russell, as chair of the Task Group, would like to put on record her appreciation of the time and trouble taken by staff at both sites to explain the work they did and the background to the communities in which they worked.
- 3.34 The meetings took place on 14th July 2008. The minutes of the meeting can be obtained through the following link
<http://cabinet.council.leicester.gov.uk/ieListDocuments.asp?CId=430&MId=2571&Ver=4>
- 3.35 The visits to both centres demonstrated that helping people back into work, or into work for the first time, was often a complex process involving a network of agencies working together.
- 3.36 The **Braunstone Working** project work co-operated with Connexions, the Job Centre, Department of Work and Pensions (DWP), and also with legal and debt advice agencies and a credit agency.
- 3.37 It functioned as a drop-in centre, and clients often accessed in services through worked of mouth and reputation. It also acted as an informal job agency for local firms, screening possible employment candidates on their behalf.
- 3.38 Braunstone Working funded a jobs placement programme for around 15 people a year. People who would normally find it very difficult to gain access to work were placed in a job and the Centre paid their salary.
- 3.39 Linda Grubb, who provided the information at the project, commented finally that literacy and lack of qualifications were significant problems. Clients often tried to mask their reading and numeracy problems rather than try to address them through further learning.
- 3.40 And the project was a victim of its own success, to a certain extent, in that those who did access training and employment often moved away from the area, so that economic activity remained depressed.

- 3.41 The **Highfields Multi-Access Centre (HMAC)** is the first centre of its kind in Leicester and opened in September 2007. It brought together skills, training and employment support agencies in line with the programme agreed for the City Strategy.
- 3.42 The work of the MAC was outlined by a team led by Aiyub Zamakda. The Task Group is grateful for the help and co-operation provided by him and his colleagues at this hearing.
- 3.43 Staff told the Review that HMAC had developed a range of literacy and numeracy for a community, sections of which had unemployment in the range of 70%-80%. (St Matthews Super Output Area was classified by the Government as having the highest SOA unemployment in the country – see links in Appendix 1 below).
- 3.44 The HMAC was dealing with clients who had very low literacy and numeracy levels, and who were often unaware of the formal procedures through which they could get into employment.
- 3.45 Through this process 95% of clients had reached job interview stage and 30 clients had obtained a job, the Task Group was told.

4 Legal implications

- 4.1 At present no employment law implications are apparent. However it is recommended that legal advice is obtained when specific initiatives are proposed or identified. This will ensure they are not discriminatory in any way and comply with the City Council's terms and conditions of employment.

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5 Departmental comments

- 5.1 The Economic Development functions have recently been revised to consider these in line with the introduction of the Multi-Area Agreement and potential revisions in relation to the Leicester Partnership Structures.
- 5.2 Task Groups have been established in relation to the Working Neighbourhood Fund (WNF) whose concentration is around Employment, Skills and Enterprise and supporting the LAA Targets in these areas.
- 5.3 It is recommended that the Delivering Excellence team work in conjunction with the Head of Economic Development to ensure

resource is maximised and there is no duplication of provision. This will take into account work undertaken by City Strategy, Working Neighbourhood Fund; Multi-Access Centres and sub-regional activity.

Joanne Ives (Acting Head of Economic Development)

6 Financial implications

- 6.1 The action plan referred to in recommendation 2.12 will need to be reviewed for any significant financial implications. However it is thought unlikely that additional funding would be required to implement the plan other than the existing Council funding for the Economic Development team and the WNF grant funding.

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Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

Appendices

Appendix 1

Leicester Partnership

Leicester Partnership

<http://www.leicesterpartnership.org.uk/welcome/deprivation> has a great deal of information, about areas of the city which are under social and other pressures. The above link provides details about the city and in particular the challenges it faces.

Leicester ranks 20th in the country in terms of deprivation, down from 31st under previous reviews. Braunstone Super Output Area is measured as the worst in terms of educational attainment in the country (see above link to options for Leicester priority areas paper).

Leicester Local Investment Plan

<http://www.leicester.gov.uk/your-council-services/ep/regeneration/investment-plan>