

**Agenda Item No:**

**Report to:** Overview and Scrutiny (Services)

**Date of Meeting:** 15th March 2010

**Report Title:** Final Report of the Overview & Scrutiny Panel on Worklessness

**Report By:** Mary Denning  
Strategic Manager - Regeneration and Community Services

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### **Purpose of Report**

To submit a final report summarising the findings of the Overview & Scrutiny (Services) Panel on Worklessness.

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### **Recommendation(s)**

- 1. That the Committee agree the report and recommendations and forward it to Cabinet for discussion**

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### **Reasons for Recommendations**

Final report of Policy Review Panel.

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## Introduction

### Executive Summary

1. A Scrutiny Review of worklessness in the Borough was included in the 2009/2010 overview and scrutiny annual work programme. The review fell within the focus of the Services Overview and Scrutiny Committee.
2. The Policy Development Panel was set up and Councillor Terry Fawthrop was appointed to the chair.
3. To date, the Panel consists of:

Councillor Terry Fawthrop (Chair)

Councillor Peter Chowney

Councillor Trevor Webb

Monica Adams-Acton, Head of Regeneration and Community Services

Mary Denning, Strategic Manager Regeneration and Community Services

Katrina Silverson, Scrutiny and Electoral Services Officer/Frances Taylor, Secretary

Allison San Diego, Administrative support

4. A Project Initiation Document was completed. This was the framework and basis for the review process and is attached at Appendix A
5. The Review Panel began its work in October 2009. To date, three meetings have taken place.
6. At the first meeting the Project Initiation Document was discussed and a programme of enquiry set out. Prior to the second meeting, the Panel read a range of reports and strategies aimed at providing information and context on the levels and structure of worklessness in the area. The Panel also considered statistical data which provided demography of worklessness in the town and also looked at the profile of local employers. The references are attached at Appendix B
7. Partner organisations Jobcentre Plus (JCP) and 1066 Enterprise were invited to the third meeting and responded to questions from the Panel on the barriers to employment, skills levels and the challenges which businesses faced in the area. JCP and 1066 Enterprise also summarised the support that was available to workless people and to business. A more detailed summary of the evidence from JCP and 1066 Enterprise is attached at Appendix C
8. East Sussex is obliged by central government to produce a Work and Skills Plan having already completed a worklessness assessment. The worklessness assessment feeds into a further, statutory, process. All unitary and county councils have a mandatory duty to carry out a Local Economic Assessment As the responsible authority, the County Council is obliged to involve the districts and boroughs and partner organisations.
9. Hastings Borough Council and the Hastings & Bexhill Economic Alliance will inform this process. It is therefore timely for this enquiry to be brought to a conclusion.

## Conclusions

10. The Panel concluded that their review of Council Worklessness policies and the evidence from partners had clearly demonstrated that the policies the Council has in place are proving to be effective.
11. Current funding streams available to the Council and some of its partners to tackle worklessness are coming to an end. This gives cause for concern in light of the high levels of worklessness in the town and the lack of resilience of its economy.
12. The Panel also considered the potential impact of the East Sussex Local Economic Assessment on Hastings Borough Council worklessness policies.
13. The Panel considered that the work of this panel was now complete and officers should use this report as part of the Hastings Borough Council input into the East Sussex Local Economic Assessment (which the worklessness assessment will feed into).
14. Officers should update the Services Committee on the progress of the East Sussex Local Economic Assessment at December Services Committee.

## Recommendations of the Panel

15. The Panel felt that Council officers had a high level of understanding of the issues relating to the causes of worklessness in the town and the barriers to employment.
16. The Panel felt that the approach of supporting organisations which engaged with residents alienated from the job market to help those residents access training and jobs was sound.
17. The Panel considered that the stimulation of the demand for jobs through sustained business support was as necessary. Thus the twin track approach of the Council to support both demand and supply side was useful.
18. The Panel's recommendations are therefore:

To support the Council's commitment to regeneration and that it should continue to be a high priority of the Corporate Plan

To support the Council's policy of stimulating and supporting both the supply of potential employees and of demand from employers for more staff

To note the work of East Sussex County Council in producing a worklessness assessment, a Work and Skills Plan and a Local Economic Assessment and local ways of informing that work.

That the Council continues to recognise that without adequate community engagement and economic inclusion, the continued regeneration of the town will lack impact or effect.

That the integration of the economic development and community functions of the Council has created a cross cutting team that is providing genuine benefits to the Town.

To continue to support the effective partnership work which has helped to soften the impact of the recession.

To report back to the Services Committee in December on the progress of the East Sussex review including any additional measures that the Council can introduce in support of that work

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### **Wards Affected**

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

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### **Area(s) Affected**

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

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### **Policy Implications**

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	No

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### **Background Information**

Appendix A: Project Initiation Document

Appendix B: References to data and material considered by the Panel

Appendix C: Summary of JCP and 1066 Enterprise evidence

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### **Officer to Contact**

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## Appendix A: Project Initiation Document

Date	September 2009
Scrutiny Review	Review of worklessness in the Borough
Project Team	Monica Adams-Acton (Head of Regeneration and Community Services) Mary Denning (Strategic Manager Regeneration and Community Services) Robert Mee (Regeneration Programmes Manager) Glyn Carter (Regeneration & Resources Manager) Susan Hanson (Research and Evaluation Officer) Allison San Diego (Support)
Project Leader	Monica Adams-Acton/Mary Denning
<b>Scrutiny Review Team Members</b>	Cllr Peter Chowney Cllr Terry Fawthrop Cllr Trevor Webb
<b>Officer(s) to Contact</b>	Monica Adams-Acton Mary Denning
Review Terms of Reference	<p>Review of structures, partnership working and approaches to address worklessness in the Borough</p> <p>Key issues to address: Establish baseline levels of worklessness</p> <p>Assess the major barriers to employment including poverty and debt, skills levels, caring responsibilities, health, mobility and local employment opportunities</p> <p>Assess the role of key partnerships in addressing worklessness – HBEA, LSP, Task Force</p> <p>Assess the role of the largest employment sector in the Borough (ie public sector) in supporting the employment of local people</p> <p>Develop recommendations in line with</p>

	<p>findings</p> <p>Note: The review will exclude:  Recommendations which have significant additional resource implications  An independent evaluation of the impact of the Area Based Grants programme will be undertaken and monitored via the Economic Alliance. The outcome of this will be useful in informing the work of the O&amp;S Review on Worklessness.</p>
<p>Community Strategy Target or Key HBC Investment Issue?</p>	<p>Contributes to Draft Sustainable Community Strategy Targets:  Target 1 – Narrowing the gap.</p> <p>Target 3 – Reduce No of Households in Poverty</p> <p>Target 7 - Reduce average unemployment</p> <p>Target 8 - Increase Workplace Average earnings</p> <p>East Sussex Local Area Agreement:  NI 153 - Reduction in numbers of working age people on out of work benefits in the worst performing neighbourhoods (Hastings only)</p> <p>NI 173 – Reduction in flows on to incapacity benefits from employment (Hastings only)</p>
<p>Objectives</p>	<p>To inform the Council's regeneration and inclusion priorities and investment in supporting the reduction of worklessness in the Borough</p>
<p>Indicators of Success (how will we know if the project is achieving its purpose)</p>	<p>Recommendations to enable enhanced partnership working and more integrated approach to addressing worklessness will emerge throughout the process.</p>
<p>Methods of Inquiry</p>	<p>Research and evidence gathering  Statistical evidence gathering  Qualitative survey information  Consultation as required with partners and key stakeholders</p>
<p>Key Stakeholders</p>	<p>Hastings and Bexhill Economic Alliance  LSP</p>

	<p>East Sussex County Council  1066 Enterprise  Sussex Enterprise  Jobcentre Plus  Sea Space  Sussex Coast College  Learning &amp; Skills Council  Hastings Community Network  PCT  IAG providers  UCH</p>		
Documents	<p>Five Point Plan  Hastings Economic Action Planning  Research – WM Enterprise (2005)  Hastings and Bexhill Economic  Development and Inclusion Strategy  EDIS Implementation Plan  Community Cohesion Framework and  Action Plan</p>		
Site Visits	<p>May be relevant although this is primarily  an interrogation of existing information</p>		
Publicity Requirements	<p>Update at Overview &amp; Scrutiny meetings  may be required</p>		
Resource Requirements (Staffing and expenditure)	<p>Existing staff and related resources  within Hastings Borough Council</p> <p>Desk based literature and other research  – 5 hours</p> <p>Questionnaires to selected employers  and workless people to establish their  experience. 2 hours preparation and  revision. 2 hours to analyse responses</p> <p>Statistical evidence base gathering and  interpretation - 5 hours</p> <p>3 meetings (2 hours preparation and 1  hour duration of each meeting)</p> <p>Meetings with key partners and  stakeholders – 5 hours</p>		
Projected start date	16th September 2009	Reporting deadlines	Final Report to March 2010 Overview and Scrutiny meeting
Meeting Frequency	To be agreed with Scrutiny	Projected completion date	Agreed by Overview and

	Review Team		Scrutiny in March 2010 and to Cabinet by July 2010
Evaluation date			
Evaluation tracking methods			

## Appendix B: References to data and material considered by the Panel

Climbing the Ladder 'Full LEGI Bid'  
 Community Cohesion Framework and Action Plan  
 Economic Action Planning Research Action Plan and full document  
 Economic Action Planning Research Project Briefing for consultants  
 Economic Development and Inclusion Strategy Implementation Plan  
 The Ever Increasing Circle  
 Review of Worklessness in Hastings, November 2009  
 Work and Worklessness in Deprived Neighbourhoods

## Appendix C: Summary of Jobcentre Plus and 1066 Enterprise evidence

The Panel requested that partner organisations engaged in addressing worklessness – through both the supply and demand routes – give evidence. On 25th February 2010, Graham Coffey, Partnerships Manager of Jobcentre Plus and Graham Marley, Chief Executive of 1066 Enterprise attended a Panel meeting.

Set out below are the questions and the answers supplied.

1 1066 Enterprise

Q: What sort of businesses does 1066 Enterprise deal with within Hastings?

A: All sorts – Hastings and Rother Chamber of Commerce covers a wide range of businesses, unlike others that only cover business start-ups and then provide no further support.

We deal with more established businesses through the use of Single Regeneration Budget (SRB), Area Investment Framework (AIF), Local Enterprise Growth Initiative (LEGI) and Area Based Grant (ABG). We don't focus on any sector in particular and offer more generic support. The vast majority of businesses in Hastings are small and medium sized enterprises (SMEs) and there are a lot of small manufacturing businesses.

Q: What kind of skills do you think are missing in the town?

A: As you know, educational levels in the town are not good. The introduction of the University Centre has been helpful but it is not a quick fix. But it will take a while to see



any effects. Generally employers find skills levels are not adequate when they are recruiting.

Q: Are regular meetings held to support business?

A: A business support consortium meets on a regular basis at operational level, a range of partners meets to ensure engagement locally.

Q: How is 1066 Enterprise funded?

A: Currently through ABG. 5 or 6 years ago 5% of our income was self-generated now it is 25%. There are strands of private income, contract income, European funding where we work as a delivery partner and Community Partnership Funding (CPF), £30K is essential to ensure that we have a foundation from which to move forward.

Q: What route do businesses come through? How do they hear about you?

A: Mostly word of mouth. 99% come to us through self referral. I think through ABG we have been able to be more proactive and concentrate more on Central St Leonards and the industrial estates.

Q: What skills gaps do local businesses identify within the potential workforce that they try to draw from?

A: What they generally tell us is that the aspirations are very low. There is a lack of availability of work ready individuals, there are no team working skills, lack of communication skills and work ethic.

Q: What is your view of the planned Academies? Do you have any thoughts about them?

A: From a business perspective, something had to be done, but it is more about their continuing impact on education standards which will only become clear over time.

Q: What support do you provide to small business start ups?

A: We make sure that ABG does not duplicate the work of Business Link. We have designed a programme and have come up with wrap around support for businesses. This is tied up with the Business Link gateway support services. We have a Business Coach who is ABG-funded, there is a business programme, 'Let's Get Started,' which offers mentoring and workshops, support but not the same as Business Link provision.

'Capitalise Business Support' was provided through SRB, AIF and ABG to support this process. It provides loans to business with integral business advice and support during the course of the loan. The idea is that Capitalise will become self financing after 10 years. There are also ongoing discussions with Natwest to get additional funding.

Q: What barriers are there to business growth (and thus employment growth) and is there anything HBC can do?

A: I am not a supporter of grant aid for business, we prefer to lend so that clients will always come back and we will provide more services. If the Council can look at stretching out our funding for another 6 – 12 months it will give good value, as the only certainty is that there is no certainty.

Q: If the worst happens and SERCO offers limited face to face services and concentrates on web based provision, and there is no successor to ABG, what is 1066 Enterprise going to be able to offer?

A: Over the next 12 months, we are looking to diversify some of the services ie 121s with accountants and will need to look at how we provide this.

Q: In terms of worklessness, is there anything that HBC might want to look at in terms of ensuring local people are in the best place possible to opportunities?

A: At the moment, it is difficult to find gaps. More inward investment via organisations such as Sea Space would be helpful - we need to focus more on this.

A package should be put together to attract new big employers. We worked with Locate East Sussex, SEEDA, the College, Sea Space when a potential employer was looking to move into Hastings. Unfortunately, Wales has the most attractive relocation incentives in the UK and the company was able to save £500K by going to Wales.

## 2 Jobcentre Plus

Q: What opportunities are there for 18 – 25 year olds?

A: There is the Future Jobs Fund (FJF) scheme which helps 18 – 24 year olds through subsidising employment for 6 months. This scheme is ring-fenced for 18 – 24 year olds but can expand to older people if in live in more disadvantaged areas, there are also a whole range of other activities. Hastings Borough Council leads on this for the county of East Sussex.

There is a package for 18 – 24 year olds called the 'New Customer Regime'; there are also ABG funded training schemes to which young people can be referred.

After a young person has been unemployed for a period there are a number of interventions:

At the 6-month stage there are 4 options:

Work readiness training,

3 – 6 months, work-focused training,

FJF is an option if there is an appropriate vacancy,

Community Task Force which is a benefit to them and the community. The work of the Community Task Force is similar to that of the Princes Trust.

Q: What prospects are there for over 25s?

A: For over 25s there is more generic support like CV writing, basic skills training, adviser support with claims. Advisers can be met at regular intervals i.e. every 13 or 26

weeks. There is Employment Support Allowances and Work-focus Health Assessments. Jobcentre Plus has the 2-tick symbol which is awarded to employers who have a positive attitude to the employment of people with disabilities.

Q: On the lack of skills, what are your views?

A: There are a range of skills missing, a lot of individuals have low skill levels. Many people do not have the IT skills in place and we have to address that through training. Literacy and numeracy attainment levels are also low. We are working with providers on these skills gaps.

Q: Do you liaise with 1066 Enterprise?

A: Yes. We come together on a range of partnerships and Boards and this enables each organisation to have a clear view of the work of the other and also to work together to identify trends and gaps in provision.

Q: What would you want in place if you had a free rein?

A: We really need more jobs in the area and need to build skill levels. There is also the issue of distance – people at entry level on low wages cannot afford to travel far – even assuming that transport links were good.

There is also a need to raise wage levels across the board in the town. People need to be confident that they will be better off if they work – and not just by a few pounds each month.

Q: Are there any trends you have identified in claimants by age groups?

A: Currently there are 3,493 JSA claimants in the area and \*% of these have now been moved onto Flexible New Deal because they have been out of work for more than 12 months. However, a total of 10,700 people are claiming key out of work benefits. This represents 21% of the working age population. It is a concern that if people are out of work for long periods they become less employable over time. That is why all the efforts at the moment are so important – to try to ensure there is no new generation of workless people who will never work.

Q: What about the informal economy?

A: There are a lot of cash in hand jobs around. We have a Fraud team who look into this. Details are passed onto them and individuals are investigated. It is a lengthy process, and sometimes it turns out that the individual is legitimately working. But there have been an increased number of those using the hotline to report people they suspect of being benefit cheats.