

Report to Cabinet 31st October 2007

Report of the Director of the Urban Environment

City Strategy and implications for Dudley MBC

Purpose of Report

1. The purpose of the Report is to provide an overview of the City Strategy initiative, detail the progress made to date, and highlight the advantages to Dudley of involvement in the initiative.

Background

2. 'City Strategy' is the name given by the Department for Work and Pensions (DWP) to a major initiative aimed at reducing worklessness, and increasing prosperity, in the UK's most deprived neighbourhoods. 'Worklessness' is a broader term than unemployment, and particularly appropriate for City Strategy, since the central purpose is to tackle entrenched economic inactivity (i.e. not just short-term unemployment) amongst particular neighbourhoods and groups: in particular, residents in receipt of Incapacity Benefit and Income Support, as well as those in receipt of Job Seekers Allowance. Therefore, the strategy is aimed at helping and supporting, for example, those with long term health problems, older unemployed people (50 years plus), lone parents and young people who are not in education, training or employment.
3. It is important to distinguish 'City Strategy' from the 'City Region'. The City Region is essentially a voluntary partnership of the eight local authorities in the urban core of the West Midlands. City Strategy, however, is the name given by DWP for a specific, major initiative, aimed at reducing worklessness and increasing prosperity, generally within inner cities. The only connection between the two is that the City Strategy initiative aims to include all of the eight local authorities within the City Region area.
4. Initially, in the local context, only the (cities) of Birmingham, Coventry and Wolverhampton were invited to bid for City Strategy 'Pathfinder' status, by the DWP. However, the (City Region) shadow Growth & Prosperity Board agreed that a City Region approach would be beneficial, since the challenges posed by pockets of economic inequality within specific wards were shared by all eight local authorities. The view taken by the (shadow) Growth & Prosperity Board was consistent with the Joint Investment Plan for Skills and Employment being developed by the City Region, since tackling worklessness across the City Region was one of the three key objectives within the JIP.
5. From a local, strategic, perspective, the aims of City Strategy fully support those contained in Dudley's Community Strategy, the Economic Strategy for Dudley, and Dudley Council Plan, which all place great emphasis on tackling worklessness and increasing skills and employment. For example, Aim 1 of the Economic Strategy for Dudley is 'To optimise opportunities for local people – including the most vulnerable people, and those from deprived areas – to obtain jobs'. This strategic imperative

led, in terms of Dudley's Local Area Agreement (Economic Block) to a focus on tackling worklessness in the most deprived areas of the borough.

6. A bid for City Strategy status, and detailed Business Plan, were developed (led by the Learning & Skills Council) and submitted to the DWP. The proposal was one of only six to be approved by the DWP. The Business Plan was approved by Jim Murphy, Minister for Employment and Welfare Reform on 7 June 2007.
7. Given the focus on the most disadvantaged wards, a total of 55 wards were included within the proposal, selected in accordance with strict criteria. In Dudley, the following wards were included:
 - Brierley Hill
 - Castle & Priory
 - Netherton, Woodside and St Andrew's
 - St James's
 - St Thomas's
8. It should be emphasised that the purpose of the bid was, essentially, to *develop* a strategy, and way forward, for tackling worklessness in the target wards, and the funds awarded (£210,000) need to be viewed in that context. At the same time, it is important to note that the City Strategy wards will be the focus and conduit for very significant LSC, Jobcentre Plus and European Social Fund resources over coming years.
9. The over-riding strategic objective of (our) City Strategy is to *"close the gap between the City Region employment rate and that of the target 55 wards"*, and by 2012:
 - Halve the gap between the City Region employment rate and that of the target wards
 - Reduce the number of people claiming working age benefits by at least 17,320
 - Remove 3,456 people a year from (working age) benefits
10. A brief overview of the statistics relating to worklessness illustrates both the scale of the challenge and the necessity for concerted, focused, long-term action that addresses barriers to work faced by particular groups and neighbourhoods. Within the 55 target wards, over 30% of the working age population is claiming benefits. Of these, 46% of residents are classed as either sick and/or disabled. The comparable figures for the Dudley wards are slightly lower, with total worklessness ranging from 22% of the working age population in Brierley Hill, to 26% in Castle & Priory. Even so, deprivation in these wards contrasts sharply, and unacceptably, alongside the relative prosperity of much of the borough. Additionally, the figures quoted are whole-of-ward: a focus on Super Output Areas within the wards provides sharply higher numbers of residents outside economic activity, with a corresponding high incidence of poor health and low life expectancy, low skills levels, poor educational attainment, and low levels of aspiration and work ethic.

Neighbourhood Employment and Skills Plans

11. These Plans (known as 'NESPS') are an important factor in the successful delivery of City Strategy in each ward. They contain an overview of the demographic make-up of each ward, and an analysis of the ward's worklessness, by type. They also attempt to analyse the barriers to employment faced by residents, detail current services and training provision, and current employment opportunities and skills requirements. They provide, therefore, a specific and unique insight into the characteristics,

challenges and opportunities for each ward, and form the 'starting point' for formulating effective interventions. Each participating authority was provided with financial support by the LSC in order to help develop their NESPS.

12. The development of Dudley's NESPS has involved work across Directorates, and has included DUE (Resources and Partnership), DACHS (Adult & Community Learning), and Chief Executive's (Strategic Intelligence Unit and Neighbourhood Management).
13. It is expected that the Local Management Groups (see later) will take ownership of the NESPS, and that they will continue to develop as local knowledge develops at the micro level.

Governance and management

14. The Learning & Skills Council, regionally, will act as the accountable body for City Strategy. A Core Management Group has been established: all of the participating local authorities are members of this group, together with the LSC itself and Jobcentre Plus. The Core Management Group will take responsibility for over-seeing and reviewing the progress of the initiative on a regular basis.
15. The LSC has created a dedicated team to support and oversee the delivery of City Strategy activities, across the City Region area.
16. It is recognised that client engagement alone will not lead to success: employers, too, have to play their part in helping to create realistic opportunities. Local authorities, as large employers, have already been included in discussions around establishing an appropriate protocol. On a broader front, the LSC is establishing 'Employer Boards' that will play a pro-active role in providing interview and employment opportunities, and advising on skills and related needs.
17. The Employer Board to cover the Black Country is in course of development – the Birmingham Employer Board has already been established, and includes a number of household names. The LSC's City Strategy team will manage these Employment Boards, communicating opportunities and intelligence to local partners on an on-going basis.
18. At a local level, it is proposed that the Economic Development and Regeneration Partnership, (a sub-group of Dudley Community Partnership), assumes responsibility for oversight of City Strategy's progress.
19. The Health and Work Group, which is a sub-group of the Economic Development and Health and Well-being Partnerships, is also co-ordinating a range of initiatives to promote the employment of people with a learning disability and mental health needs many of whom live in the City Strategy wards. For example, LAA funding has already enabled the appointment of job coach/vocational leads for both client groups.
20. In addition, Local Management Groups will be established in each ward, to steer and influence local delivery. These Groups will comprise a range of local partners, including the LSC, JCP, local colleges, employers, Connexions, and the voluntary sector, as well as elected members and Council officers. The chairs of the Groups will report to the Economic Development and Regeneration Partnership. It is emphasised that, where possible, existing local structures will be developed and augmented, in order to establish Local Management Groups that are fit for purpose and have a single focus on worklessness issues.

The Deprived Area Fund

21. The Deprived Area Fund has £9.9m available over the financial years 2007/08 and 2008/09, and this will be focused solely on City Strategy wards. This is the first of a range of resources that will be targeted at City Strategy wards over coming years. In view of EU procurement rules, the LSC has been obliged to adopt an open tender approach to DAF funding. The tender was published on 7 September: bidders had 30 working days to submit their tender, which received by 15 October 2007.
22. It is anticipated that, following the appraisal of tenders and pre-contract negotiations, resources will become available from January 2008. In view of Dudley MBC's involvement in City Strategy as a partner, the rules preclude the Council from participation in the assessment process.
23. The Council is leading a consortia bid for DAF funds. The bid is designed to be inclusive, and therefore involves a range of mainly voluntary sector partners, with experience of delivering services to vulnerable groups in the wards concerned. These groups and organisations include The Prince's Trust, Citizens Advice Bureau, St Thomas's Network, and Connexions, amongst others. The key objectives of the bid are to address gaps in current provision, engage residents who are currently 'hard to reach', and ensure services and provision to support residents and address barriers to employment are focused on meeting the needs of clients. Services will also need to be as 'joined up' and seamless as possible.
24. In view of these considerations, a high degree of flexibility has been built in to the bid, since it is anticipated that clients will have a wide range of different needs. An important feature of Dudley's bid, however, is to strengthen client engagement services within communities through referral to specialist agencies who will deliver pre employment support. Mental Health Services in the PCT, DACHS, Mencap and Shaw Trust have all put forward requests to be included as specialist agencies. A key requirement on successful bidders will be the maintenance of client-tracking system, an important management tool that will track the 'journey' made by clients, from initial engagement through to employment or self-employment. In terms of outputs, the target is to support a minimum of 50 residents per ward, per year, into employment or self-employment.
25. Preparation of the tender has also involved close joint working by officers within DUE, DACHS, Neighbourhood Management and Strategic Intelligence. If Dudley is successful in winning the DAF contract, this co-ordinated and cross-cutting approach will need to be continued and strengthened further, to include (for example) The Benefits Shop, Dudley Council Plus, the work of the Health and Work Group, and Drugs Action Team, amongst others.
26. **Benefits for Dudley of Participation in City Strategy**
 - City Strategy will provide the focus, and significant resources, to tackle worklessness and its causes in Dudley's most disadvantaged wards. Non-participation would mean inability to access, for example, Deprived Area Fund resources.
 - City Strategy will play a major part in helping to achieve key local aims contained in Dudley's Community Strategy and Economic Strategy
 - City Strategy will provide a significant impetus towards the achievement of targets – including stretch targets – within our Local Area Agreement
 - The Government's Review of Sub-National Economic Development placed great store on the necessity of tackling economic inequalities in specific geographical areas, and quoted City Strategy as a key initiative for delivering

real improvements in economic activity and increased prosperity in these areas.

- The 'Review of Sub-National Economic Development and Regeneration' also recommends the re-shaping of Neighbourhood Management Services on a more economic footing, and City Strategy provides that opportunity.
- City Strategy will support and help under-pin current delivery arrangements, such as Future Skills Dudley
- City Strategy will help to under-pin the development of a Community Regeneration over-arching framework for Dudley.
- It is expected that one of the benefits of participation will be the sharing of experience and good practice between participating authorities, as delivery progresses.
- Most important, City Strategy will help to raise employment, self employment and overall economic activity within Dudley, leading to increased skills, greater prosperity and more cohesive communities.

Finance


27. City Strategy will essentially be reliant on external funding, and more effective use of current mainstream funding. However, co-ordination of City Strategy will inevitably carry a cost in terms of officer time.

Equality Impact

28. The equality impact of participation in City Strategy should be entirely positive, since it is intended to assist and support the most disadvantaged wards and communities in the borough. Residents who stand to benefit include black and minority ethnic groups, people with disabilities or in poor health (including those with mental health issues), lone parents, 'older' people experiencing unemployment, and young people who are not in education, training or employment.

Recommendation

- 29.
- To continue Dudley's involvement in the City Strategy initiative, with the aim of maximising the potential economic benefits to the borough and residents of the most disadvantaged wards
 - To approve, in principle, bids for resources necessary to establish effective delivery mechanisms and interventions in the five target wards.
 - That consideration be given to holding a corporate/multi-agency Conference, to include elected members, to discuss the formulation of a worklessness strategy.



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