



Partnership and Place Overview and Scrutiny Committee

Report from the Director of Regeneration and Major Projects

For Information

Wards Affected:
ALL

Employment Programme Update

1.0 Summary

- 1.1 This report provides an update on the current labour market position in Brent and sets out the challenges faced by the Council in relation to rising unemployment and deprivation that are likely to worsen with the introduction of welfare reforms.
- 1.2 The report highlights a number of opportunities to tackle the growing problem not least through the establishment of a new “Employment and Enterprise” team within the Regeneration and Major Projects department. An outline of the initial work to be undertaken by this team is also detailed within the report.

2.0 Recommendations

- 2.1 To note the challenging labour market environment within Brent and the proposed activities to tackle these issues through the Employment and Enterprise team.

3.0 Detail

3.1 Employment context

- 3.11 Brent has suffered badly over the last four years of economic storms, with the pressure evident on all its neighbourhoods. This includes spiralling deprivation, with a widening gulf between the most prosperous and socially excluded communities. The Borough is now the 35th most deprived in the

country with unemployment and deprivation spreading to the historically wealthier areas of Mapesbury and Welsh Harp.

- 3.12 There are a total of 30,750 benefit claimants in Brent, approximately 20 per cent of the population of Brent. In October 2012 there were 9,980 claimants of Jobseekers Allowance (JSA). Youth unemployment has also reached a peak with the claimant rate for 18-24 year olds standing at 8.4 per cent or 1,970 total claimants - higher than the London rate of 6.9 per cent. There is also a growing trend for this age group to be unemployed for longer (over twelve months).
- 3.13 The number of residents claiming Employment Support Allowance (ESA) and Incapacity Benefits is also steadily rising. There are a total of 12,790 ESA and Incapacity Benefit claimants in Brent and again, a widening gap to the levels claimed across London.
- 3.14 Fuelling this growth of poverty across the borough will be housing benefit cap that will be introduced from April 2012. It is predicted that Brent will have the highest number of households negatively impacted by the cap. Around 2600 households in temporary accommodation will see their housing benefit reduced by at least £50 per week and over a thousand of these by over £100 a week.
- 3.15 For working households in Brent the situation is also challenging. On average weekly salaries are some £120 lower than the London average with the jobs taken by residents increasingly likely to be at an entry level.
- 3.16 While there is a plethora of statutory support available to help the unemployed and most deprived overcome their sometimes significant barriers to work (including mental health, domestic violence, drug and alcohol abuse to name but a few) it is often difficult to access and confusing to navigate around. Budget cuts have seen the specialist provision provided by the local voluntary sector, which would once have supported this group into and through the system, reduced over recent years.
- 3.17 While Brent had a strong history of successfully supporting residents into work through Brent in2Work, this provision was massively scaled back in 2011 with the closure of the London Development Agency and other Government cuts.

3.2 Drivers of change

- 3.21 Unemployment and social exclusion impact on the wellbeing of individuals, their families and this borough as a whole. Rising and spreading poverty levels means potentially greater expenditure by the council as there will be a greater reliance on benefits and services and this at a time when budgets are

being cut by around 50 per cent. The introduction of the housing benefit cap will potentially see a rise of homeless applications to the Council as households find their current rents unaffordable.

- 3.22 But for many households or individuals who are socially excluded (and will be at further risk from the introduction of the benefit cap), our public services can seem a confusing landscape of conflicting demands. Often these services unintentionally sustain this group in poverty rather than come together to find a swift and effective resolution to move out of poverty and it is well documented that finding paid employment is most often the best way to achieve this.
- 3.23 The housing benefit cap, and the introduction of Universal Credit later in 2013, will create a new incentive to find employment for many of the most deprived groups. The cap will not be applied to those households where a member works for 24 hours or more a week (or 16 hours for a single parent family). Work undertaken by the Council has identified that the only other real option for residents facing a shortfall in their benefits is to move out of London. It therefore cannot be understated how important it will be to find work for both Brent's deprived communities and the Council itself.
- 3.24 At the same time, there are opportunities to influence and secure greater numbers of jobs for local people. Firstly, the Council is looking to achieve greater efficiencies from its larger contracts and investigating ways to drive local employment through its sub contracting agreements.
- 3.25 Finally there is a real drive at both national and regional levels to align the education and skills agenda to the needs of business to support future economic growth.

3.3 Opportunities

- 3.31 While the drivers above provide the real push for change and an unprecedented incentive for unemployed residents to move into work, below is an outline of the opportunities and tools available to us to instigate this change effectively and realise an ambitious programme of activity to reduce poverty levels across the borough.
- 3.32 Firstly, the move of the Council to the new Civic Centre is a key component of the on-going Wembley development and is an opportunity to bring Council services together as a cohesive, efficient and effective team. And with the Housing and Regeneration teams now part of the same Regeneration & Major Projects department there is a greater link between housing services and employment provision that is being continually developed and strengthened.

- 3.33 As previously mentioned, there is already a lot of statutory employment provision in the borough delivered through organisations such as Jobcentre Plus, the Work Programme and the College of North West London. The Council continues to offer limited support through Wembley Works with a skeleton staff focused on securing employment opportunities from the Wembley development. There will be significant numbers of jobs generated through the London Designer Outlet in 2013 that need to be linked to local unemployed residents.
- 3.34 The Council is still the second largest employer in the borough. It must look to find ways to ensure its investment in its communities means training and employment opportunities for its residents – local services, for local people, delivered by local people. Again, this can also be undertaken through contracting agreements.
- 3.35 There is growing momentum, particularly at a national level, to work more closely with the borough's schools and colleges to close the gap between education/training and employment. This will mean aligning training more closely with employer needs, and also significantly increasing the number of real apprenticeships. On top of this, the Council already operates three major adult education sites through BACES which has strong links to the most deprived communities. There is a real opportunity to ensure this provision is vocationally focused and related to new job opportunities in and around the borough.

3.4 Brent's response

- 3.41 In November 2011, the Council agreed to fund a three year employment programme starting in the 2013/14 financial year to tackle the rising unemployment and poverty levels in the borough.
- 3.42 In May 2012, the Regeneration & Major Projects department commissioned an external review of employment provision in the borough and inform the development of an ambitious new programme that would optimise the opportunities set out above for local people. Rather than reinvent the Council's old programme of employment delivery, the review has produced a series of recommendations of innovative activity that will compliment and untangle existing provision in the borough to meet local need. It is clear that it is not more support that is needed just better navigation through and better use of what is already available.
- 3.43 Below is an outline of the work that is proposed to be carried forward over the next three years. This will be driven forward by a new Employment and Enterprise team that will be headed by the Head of Employment and

Enterprise. The team will be at full compliment by the start of the next financial year.

3.44 **Employment initiatives**

- **Navigators**

A team of 6 'Navigators' have just been recruited and will start work in January 2013. Essentially, the team will trial an approach to engage with the most excluded individuals and families in Brent and will start by working closely with housing teams and those hardest hit by the benefit caps. We know that 2,604 households will be impacted by the benefit caps next April 2013 and these are likely to present themselves at our front line housing services. The Navigators will carry a caseload of families drawn from the group of residents most at risk of homelessness/displacement to mitigate the impact and support families who are likely to have multiple, highly complex needs. Success will be measured by the number of families enabled to stay in their homes, through achievement of employment enhanced engagement and effectiveness with other services.

- **Reducing the impact of welfare reform**

A welfare reform group has been set up that meet regularly to consider how best to reach and assist people that will face shortfalls in benefits. Teams are working very closely with partners at Jobcentre Plus and the Work Programme to agree a process to better connect our services to create and present a strong, unified response to direct support and prevent homelessness. This may involve co-locating employment staff within Housing to provide direct support and a robust performance monitoring process to ensure all partners deliver the right services to this client group. Navigators will also be a key part of this process and the "Working with Families" project is also linked in.

- **BACES review**

A number of steps are being taken to address the gap between training and employment. There is currently a lack of focused vocational training with strong employer links. The curriculum, structure and delivery of BACES will be reviewed. It is likely that there will be a fundamental shift in emphasis, with classes restated in terms of vocational objectives.

A feasibility/scoping study is also being commissioned into the set up of three vocational training centres. These would be along the lines of Intermediate Labour Markets, providing supervised work experience alongside embedded training. They would be social enterprises, delivering real, commercial services but staffed largely by trainees. They will be aligned as closely as possible with major regeneration projects and possibly also the 'meanwhile

use' initiatives, as well as reflecting service gaps and employment opportunities in the Borough.

- **Voluntary sector delivery**

A bidding framework and brief is being set up to identify a group of voluntary sector providers that would be able to support employment provision in the borough. At this stage it is envisaged that experienced providers would be paid on a results basis to support voluntary referrals (those who are unemployed but not mandated) to the Work Programme to gain added value from this existing support in the borough.

Further, the team is investigating ways that small teams of local people could be recruited and trained by the voluntary sector to raise awareness of the benefit changes in local Jobcentre Plus offices and other community meeting points.

- **Brent in2Work**

Brent in2work has continued to deliver advice and guidance to local residents seeking employment and training opportunities from the Wembley Works office. Over 100 local unemployed residents found work through Brent in2work since April 2012. This includes 59 jobs with the new Hilton Hotel. This is as a result of the successful collaborative working of Brent in2work, JCP and CNWL and Wembley City.

We are also continuing work with construction contractors such as Skanska and Wilmot Dixon to ensure S106 agreements are adhered to so that local residents' access opportunities made available through their supply chains, such as jobs, training and apprenticeships. Partnership working with Denne contractors continue to create positive outcomes for the local residents in South Kilburn, with further work being developed with Catalyst Housing as Phase 2 of the regeneration project in the area unfolds.

3.45 Enterprise Activity

- **Business Engagement**

The government's business support simplification programme in 2008 saw an overhaul of what business support should entail and how it should be delivered. As a result much of the funding previously available has disappeared and with it much of the support on offer locally. Activities to encourage and promote self employment to Brent residents have included knowledge sharing and networking events, through the Employer Partnership, and recently a more interventionist approach using unused retail units to deliver Meanwhile start up business.

- **Meanwhile Space**

The regeneration policy team have been actively working with the meanwhile use projects to promote self employment and ensure that local unemployed people, that have an interest in starting their own business, have access to the opportunities available through Meanwhile uses. The opportunities will be shared through Brent in2work where over 60 organisations from the public, private and voluntary sector to meet on a quarterly basis. Self Employment was the theme at the latest forum held last week. We have also linked in with our statutory partners such as the Job Centre and the College of North West London, to buy into the approach ensuring that suitable customers are referred and made aware of these opportunities.

- **Employer Partnership**

The Employer Partnership will continue to provide the Council's main interface with local businesses. It is aimed at supporting economic growth and enterprise in the borough and maximising benefits for business. The EP is chaired by a local businessperson and is open to all businesses based in Brent including those outside of the borough but with a large Brent workforce and delivers three main services to local employers:

- *Quarterly Business Breakfast events* open to all business in Brent giving employers the opportunity to network with other businesses and hear from speakers from the public and private sector, regulatory bodies, service buyers and training providers.
- *Distribution of quarterly e-newsletters* to local businesses, containing business related information relevant to local employers
- *A contact point* at the Council for businesses needing assistance or advice on council related matters. Businesses have often complained that they find it difficult to get in contact with an appropriate member of staff in the Council. Through the EP, businesses have access to a member of staff who can assist and point them in the right direction.

- **Supply Chain Project**

This initiative seeks to identify and maximise opportunities for local businesses and residents on construction projects within and outside of the Borough and has developed alongside the Civic Centre build. Supporting this has been the creation of the Supply Brent web portal has been created to match construction and employment opportunities with local businesses and residents. It advertises construction tendering, employment, apprenticeship and training opportunities which can be accessed by local people who have registered for the service. The project

recently won the LGC Business Partnership Award for Innovation for its community engagement, community legacy and supply chain longevity work, with Skanska. It will be continued within the new team expanding to capture opportunities from other regeneration construction projects in the borough including Wilmott Dixon, John Sisk, Quintain and Countryside Estates on their projects in South Kilburn, Elizabeth House and the London Designer Outlet.

4.0 Financial Implications

- 4.1 The employment programme will be funded for three years through the General Fund at a cost of £1million each year. Additional funding to support the programme will be sought through other sources including European Social Fund, London Councils and Jobcentre Plus.

5.0 Legal Implications

- 5.1 None

6.0 Diversity Implications

- 6.1 A full impact assessment will be undertaken once the full employment programme has been agreed.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 A new Head of Employment and Enterprise will be recruited in early December and following this a full staffing complement will be recruited to the new Employment and Enterprise team. The size and roles of the team will be determined once the Head of Employment is in post.

Contact Officers

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