

London Borough of Brent

Employment in Brent

Regeneration Policy

13th December 2011

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Current Employment Trends in Brent

Of the working age population in Brent there are currently:

- 12,000 people unemployed (9.3%) vs 8.3% London and 7.7% UK
- 52,400 economically inactive (29.9%)
- 30,420 claiming out of work benefits (17.8%) vs 14.3% London and 14.7% UK
- 67,400 with “other” qualifications (38.5%)
- Harlesden, Stonebridge and Kilburn persist to have the highest number of working age people in receipt of out-of work benefits.
- The most deprived areas are those with a high concentration of Social Housing.
- 34.1% of the child population (16 and under) live in poverty, i.e live in households with less than 60% of the median income.
- 2,215 young people aged 18-24 are claiming benefits, up by 280 since last October 2010.

The most up to date picture for local unemployment levels is illustrated through the Jobseekers Allowance (JSA) count. In August 2011, 5.9% of the working age population were claiming JSA, a level that is significantly higher than the London average (4.4%) and the national average (3.8%). This is a level not experienced in Brent for at least 10 years and now accounts for over 10,000 residents. There are 26,920 people aged 16 - 64 claiming key benefits including JSA, ESA and Incapacity Benefits, Lone parents, Carers and other income related benefits, making 15.7% of the total working age population in the borough claiming benefits compared with 12.4% in London and 12.1% in the GB.

Figure 1: Number of people Claiming Jobseekers Allowance in Brent (Nomis, October 2011)

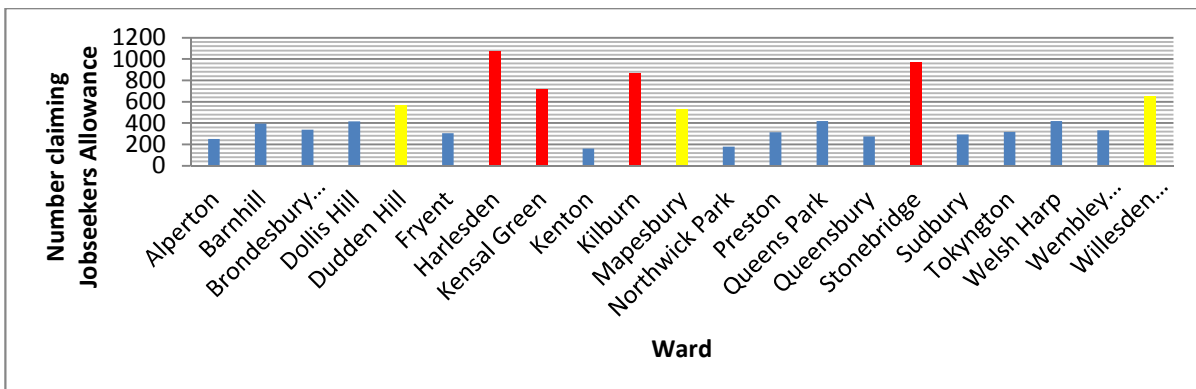
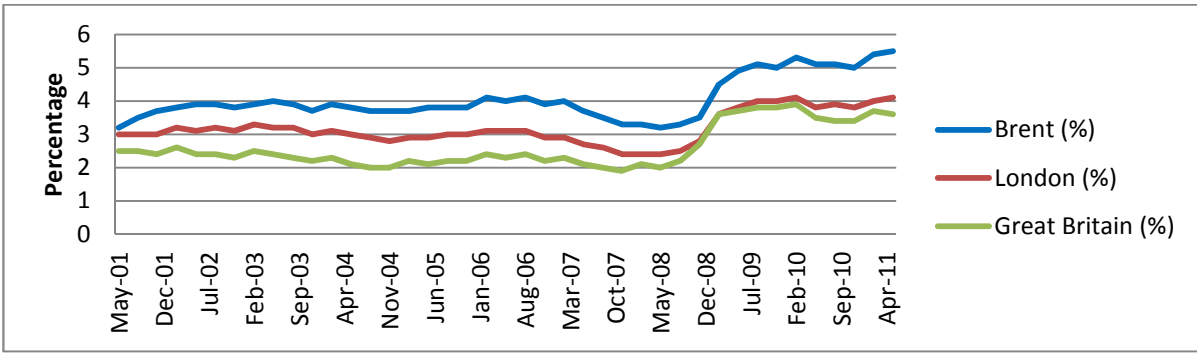
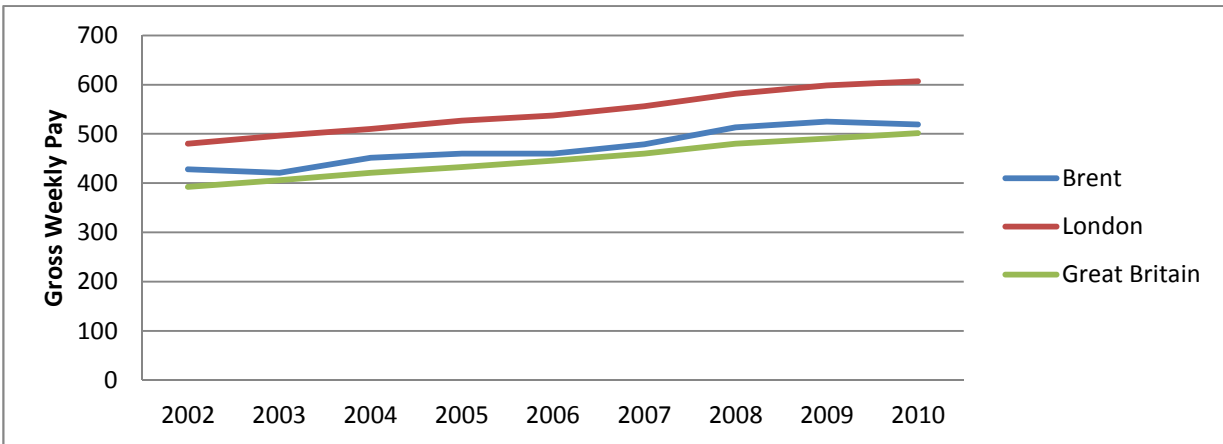


Figure 2: Percentage of all benefit claimants in Brent compared with London and GB



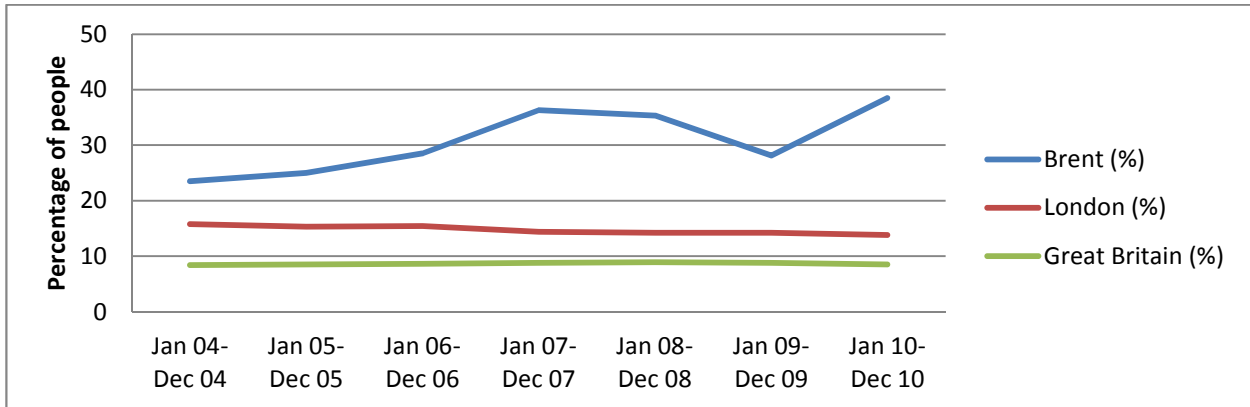
In October 2011 there were 970 unfilled vacancies at the Jobcentre compared to 33,565 in London. The average earnings in Brent are also significantly lower at (£519.2 per week) than the London average (£606.8 per week) and dipped in 2010, closer to the GB average (£501.8 per week).

Figure 3: Graph showing the average earnings in Brent compared to regional and national averages



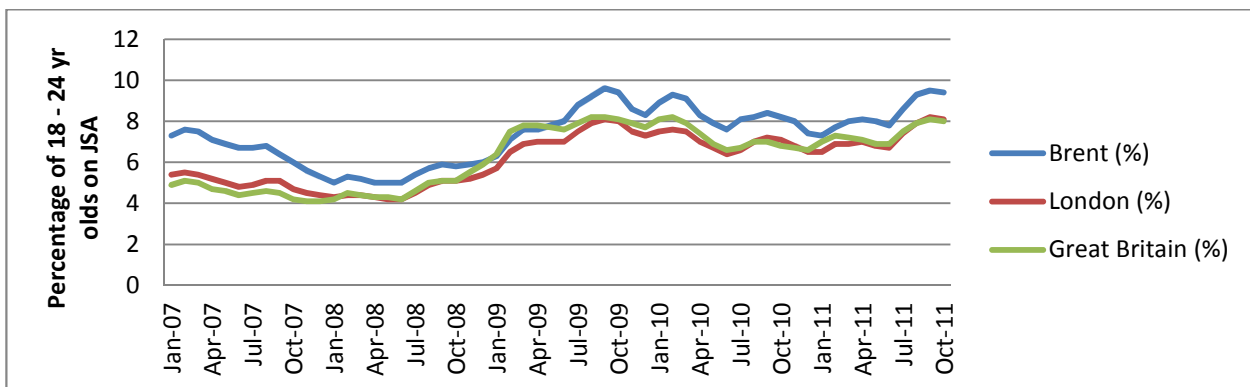
There has been a significant increase in the number of people living in Brent that have other qualifications. The figure below shows the number of people with other qualifications in Brent, 38.5 % compared with 13.8% in London and 18.5% nationally. This reflects the diversity of the borough and qualifications gained abroad.

Figure 4: Percentage of people with 'other qualifications'



There are 2,215 18-24 years olds claiming JSA in Brent. This is up from 1,935 in October 2010. Current unemployment rates for 18-24 year olds are 9.4% in Brent, 8.1% in London and 8.0% in the UK. Youth unemployment has steadily increased since the onset of the recession. Since the increase in University fees, this is predicted to continue on an upward trend.

Figure 5: Percentage of 18-24 year olds claiming Jobseekers Allowance



Impact of current policy changes

Significantly more streamlined landscape

- DWP Work Programme (6 Providers in London) incentivised by performance reward
- Unshackled Jobcentre Plus + Skills Funding Agency activity
- Closure of the London Development Agency and limited funding for Mayoral programmes
- Significantly fewer borough led/commissioned programmes (no SRB, NRF or WNF)
- Reduced Voluntary Community Sector provision

1. Welfare reform

The Coalition's Programme for Government set out the intention to "encourage responsibility and fairness in the welfare system." The key elements of welfare changes are:

- Replacing the range of government welfare to work schemes with a single **Work Programme**. (Commenced delivery in June 2011)
- Re-assessment of people **on Incapacity benefits**, (underway since April 2011)
- Reforming the welfare benefits system and replacing the range of out of work and housing benefits available with a **Universal Credit**. (to be rolled out in 2013)

2. The key reforms affecting housing:

- Local housing allowance caps – disproportionate impact on London Local Authorities
- Removal of £15 excess entitlement for those who find their own landlord
- Shared accommodation extended from 25 to 35 years old
- Withdrawal of direct Housing Benefit payments to social landlords (Jan 2013)
- No more than £500 per week or £26,000 under the Universal Credit per family

DWPs impact assessment suggests that all regions in the UK will be affected, but Londoners will feel the impact more than the rest of the UK especially once the **housing reforms** kick in January 2012 and **Universal Credit** is introduced in 2013. One stop shops and front line services will be impacted as a result. The GLA predict that only 7% of London will be affordable. On average £93 per week will be cut. Large families will be most affected: 40% will have five or more children, while over 80% will have 3 or more children.

How will tenants and landlords react?

It is not yet known how landlords or tenants will react to these changes. A survey from the Residential Landlords Association suggests that 71% of landlords will not be prepared to reduce their rental levels; 54% state that they intend to stop letting to LHA tenants. When rent shortfall is greater than £20 a week over 90% of landlords will either evict or not renew the tenancy. Landlords could stop taking housing benefit tenants altogether. Tenants could meet the shortfall, (borrowing, savings, reducing expenditure), move somewhere cheaper (People will have to move out of areas where work is to where work isn't), move with relatives or friends (overcrowding issues), find a job – to be exempt from the total benefit cap. Possible impacts on Brent:

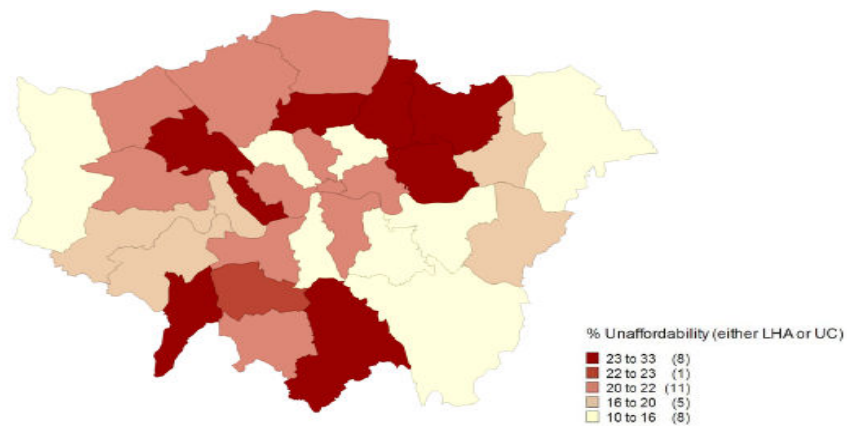
- Large families with 4 or more children will experience a significant reduction in income

- Impact on front line services – homelessness, children’s social care
- Safeguarding issues for children
- Employers able to fill vacancies for lower paid employment if people move out of the area
- Housing costs too high – migration to other boroughs or out of London

Predictions:

There are different estimates about what the impact of housing benefits could be. For example, the GLA predict more than 9,000 London households could have to leave their home because of the LHA caps alone, London Councils predict 82,000 households will have to leave their home as a result of the LHA changes and DCLG predict an increase of 40,000 homelessness acceptances due to the LHA changes.

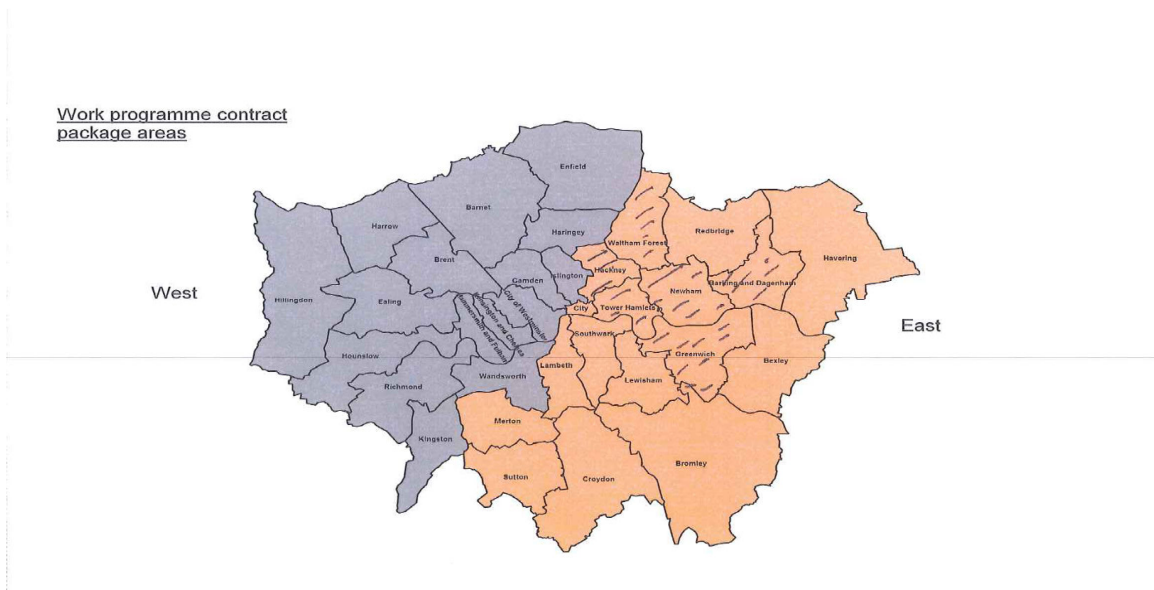
Figure 6: **Extent of Housing changes and Universal Credit impact across London**



The role of Jobcentre Plus and the Work Programme (WP)

The DWP have created a more streamlined landscape through the Work Programme. Jobcentre Plus will remain the government’s agency to support people who are out of work and will refer people onto the Work Programme depending on their time out of work and barriers to employment. The WP is a single personalised employment support programme aimed at people in receipt of Jobseekers Allowance, Employment Support Allowance, and those that are due to move off of Incapacity Benefit onto Jobseekers Allowance. 3 prime contractors have been awarded 5 year contracts to operate in West London, worth circa £20M - they will each operate across the whole of the western half of London (please see map)

Figure 7: Work programme Contract Package areas



Background on Work Programme providers

The WP in West London will be delivered by Ingeus, Reed In Partnership and Maximus Employment UK; they will have a free hand to innovative new ways of supporting people into sustainable employment, this is also known as the “black box” approach. A proportion of delivery is sub-contracted to smaller/local and specialised providers. The new Work Programme will provide significant opportunity to lead and develop our innovative approach to reducing unemployment levels in the borough. The regeneration policy team will be working closely with the three West London prime contractors to ensure they actively contribute to the Borough’s regeneration agenda and reach out to the most deprived communities.

1. Ingeus UK Ltd

Ingeus, previously known as Work Directions pre – 2008 have been delivering welfare to work for 8 years in Brent. They have a good reputation for delivering back to work and have delivered a range of programmes through ESF, JCP, LDA and DWP, including the Employment Zone. Ingeus has won the contract for WP in seven areas in the UK including

West London. They are 50% owned by Deloitte who have the capacity to deliver large scale programme delivery, financial and supply chain management.

2. Maximus Employment UK

CDG (Careers Development Group) has formed an alliance with an employment and training services provider Maximus. They have delivered back to work training and have won contracts through Jobcentre plus. They have delivered FND and Gateway to work as well as other ESF and LDA funded contracts. MAXIMUS are also Employment & Training specialists and engage with a number of community-based organisations, however have not delivered in Brent before unlike the other two providers. This is a new venture with CDG to deliver the WP. Both organisations have a track record of delivering training and employment focused programmes, but this is the first relatively large contract that they have won and it will be interesting to see what their delivery model will be.

3. Reed in Partnership

One of the first welfare to work providers and have been established in Brent for the last 8 years delivering Employment Zones, Pathways to work and the Single parent programme. They are very target driven. Reed have a reputation of having a large Employer database and links to the private sector, mainly due to the high street Reed recruitment agencies which have been established for more than 20 years.

Performance – 6 months on

Performance information on the Work Programme will not be available until mid 2012. DWP have restricted detailed information to be given to us by the providers but we are lobbying with London Councils to be able to access more information, so that we can as a local authority steer any further interventions or address any gaps for example if there are a particular client group that are not benefiting from the programme.

Data will be published on referrals to the programme by age, gender, location, ethnicity and disability. Anecdotal evidence suggests that the providers have been inundated with referrals. Boroughs will continue to have separate conversations with each of the Providers to understand and explore how they will deliver the WP in their borough. Brent will have similar conversations to gauge how the WP will work with Wembley Works, local JCP office, College of North West London, Brent's VCS, key regeneration sites and begin conversations on how the WP can work closely with key council services such revenues and benefits, children centres etc...

Local involvement in the Work Programme process

Brent Council in partnership with the West London Alliance boroughs and West London Working have agreed to take a sub-regional approach to liaising with WP Providers. To date we have held a roundtable Q&A session back in December 2010 between West London boroughs, West London Working and the short listed Work Programme providers. The meeting focussed on how the WP Providers envisage delivery of the WP in west London.

Furthermore a directory of information on labour market demographics and areas/locations of need was put together to highlight; existing delivery and gaps, forthcoming employment opportunities (e.g. regeneration sites) and key local partners and partnership groups.

Current Projects and options

The Brent in2Work service has been much reduced in scale following the end of the Working Neighbourhoods Fund. However, over the next year, Brent in2Work will continue to deliver from Wembley Works, an employment and skills hub on the Wembley development site. While linking local people to new jobs on our major development sites, Brent in2Work will continue to work closely with local employment and training partners to reach out to the borough's most disadvantaged communities. It will continue to lead a partnership forum including the voluntary sector, to ensure welfare to work activity is focused to deliver the Regeneration Strategy priorities, in particular reaching out to those residents most in need.

Brent in2Work continue to work closely with strategic partners College of North West London (CNWL), Jobcentre Plus and BACES. The CNWL and BACES have designed their programmes to be more work-focused in partnership with Jobcentre Plus. Jobcentre Plus have drafted a joint borough worklessness strategy. This has been drafted in partnership with Brent Council, CNWL and BACES. The strategy adopts concentrating delivery within the council's priority neighbourhoods. The strategy was presented to the Local Strategic Partnership and approved.

Through the development of the Civic Centre, the Council is working to ensure the construction of the physical building provides economic opportunity for both residents and businesses. Through its new supply chain project, local companies are actively being

sourced to tender for arising business opportunities both through Skanska and all their subcontractors. And through our partnership network, we are linking local unemployed residents to the new jobs on site.

The Regeneration Policy and Major Projects team have been successful in securing funding from the first round of the Outer London Fund (OLF). The funding will be used to improve Willesden High Street. The Regeneration team have submitted a bid for the second round of the OLF that aims to support some of the council's growth areas. If successful, the funding will be used to improve Ealing Road and the High Road as well as a continuation of the vacant property and animation of Willesden High Road. Brent council will be supporting Barnet council who are submitting a bid for a Cricklewood Improvement Programme.

The Regeneration Policy team in partnership with its strategic partners have delivered a series of Employer Partnership breakfast forums on a range of themes; civic centre opportunities, Brent Culture Sport and Learning Forum etc. The last breakfast forum was based on the Olympics, helping business prepare for when the Games come to Brent and continue business as usual.

Business in the Park Royal Industrial area have voted for a Business Improvement District, led by Park Royal Partnership. The estate covers three boroughs Brent, Ealing and Hammersmith & Fulham. It has been estimated that the Park Royal BID will produce £4.25m investment fund from the private sector which they will use to deliver business and trading environment support over five years.

Wembley

- Phase 1 development well underway with the new Hilton hotel due to open next year.
- Quintain has submitted plans for the North West Lands that are currently being considered by the Council. This includes provision for up to 1,300 affordable and private homes, affordable workspace and a projected 2,300 new jobs.

The Supply- supporting local residents through Brent in2Work

It is well documented that Brent in2Work has undergone a significant downsizing over the past year following the withdrawal of the Working Neighbourhoods Fund by the government. There are currently two members of staff who will focus on the following activity over the next 6 months and the 2012/13 financial year.

- Influencing JCP, Work Programme and other mainstream activity
- Leading and coordinating the local partnership
- Targeting residents in temporary accommodation
- Identify, source and coordinate local employment opportunities on major projects sites/contracts as standard
- Undertake Recruitment & Training programme
- Provision for young people