

Working Together

The challenge for partnerships in the UK cities

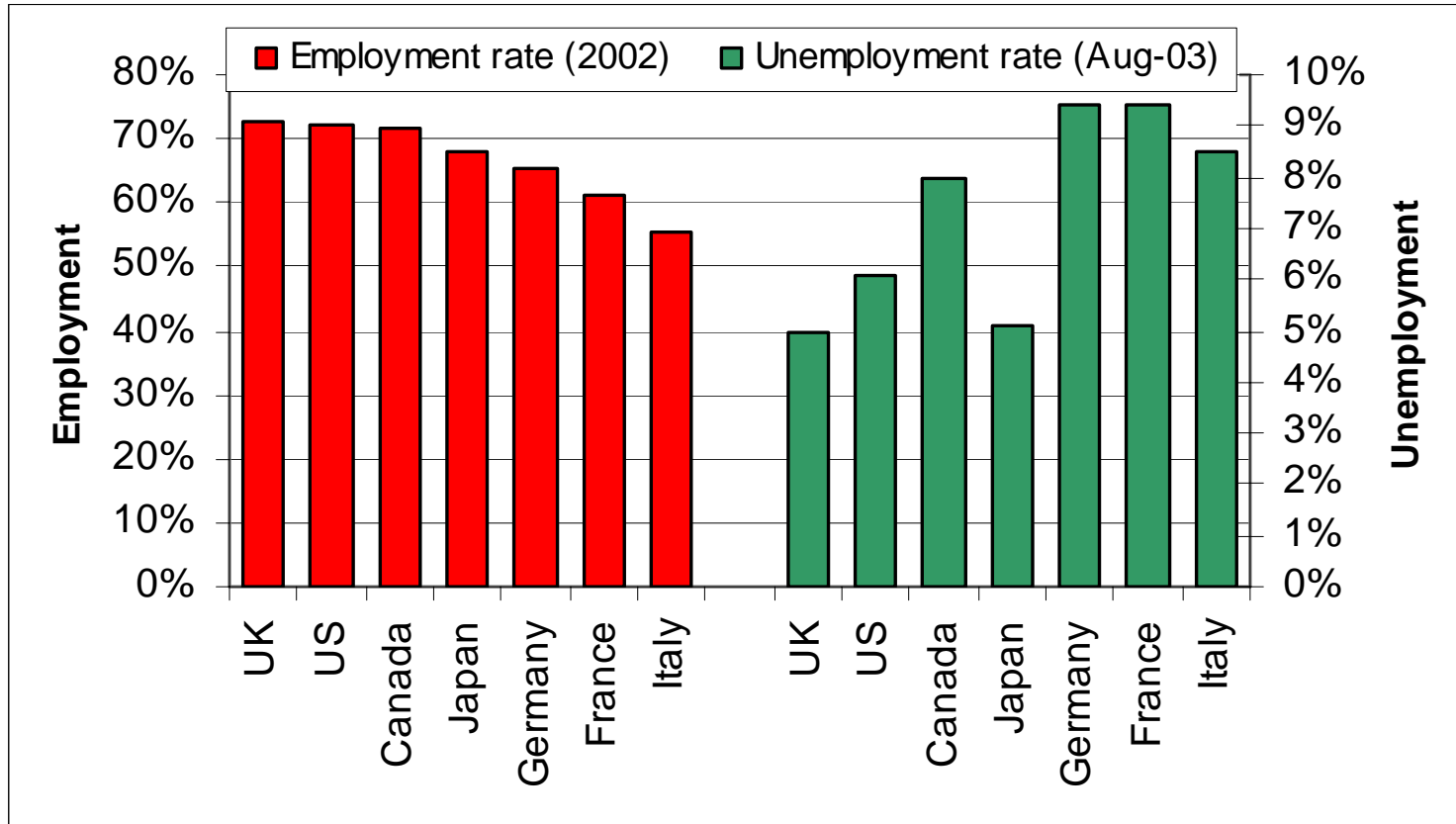
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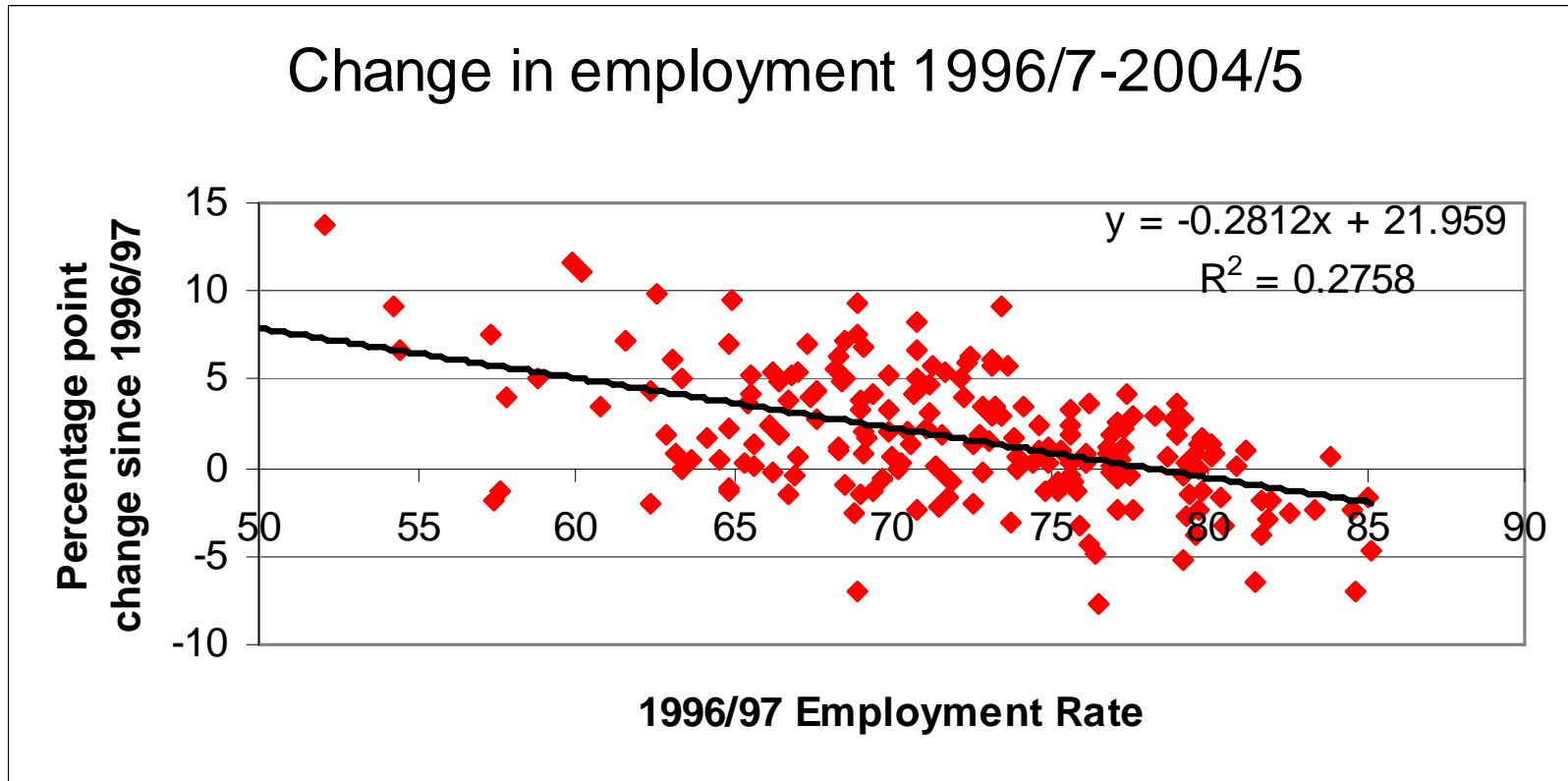
Background (I)

The UK has one of the best labour markets in the world....



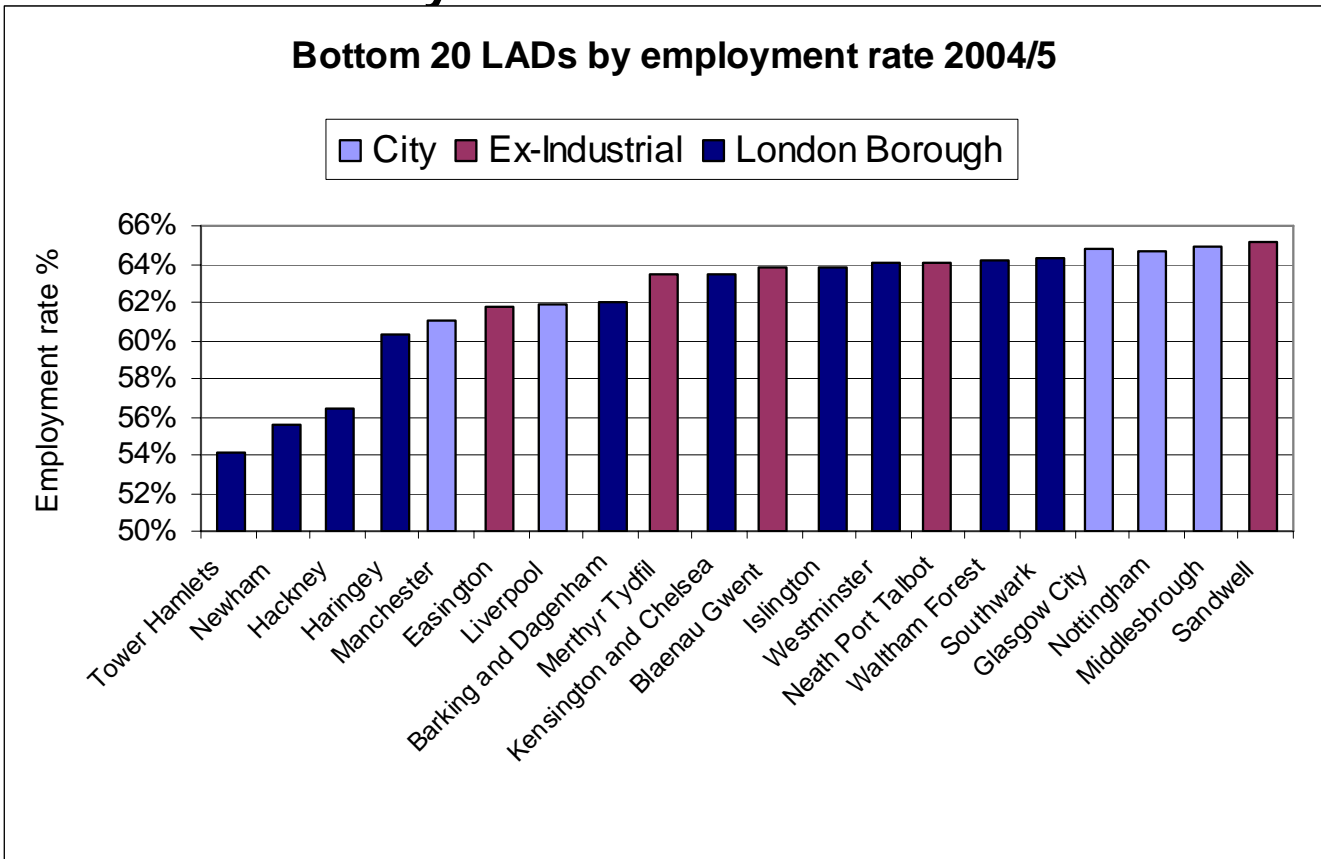
Background (II)

...and although a lot has been done there is still more to do...



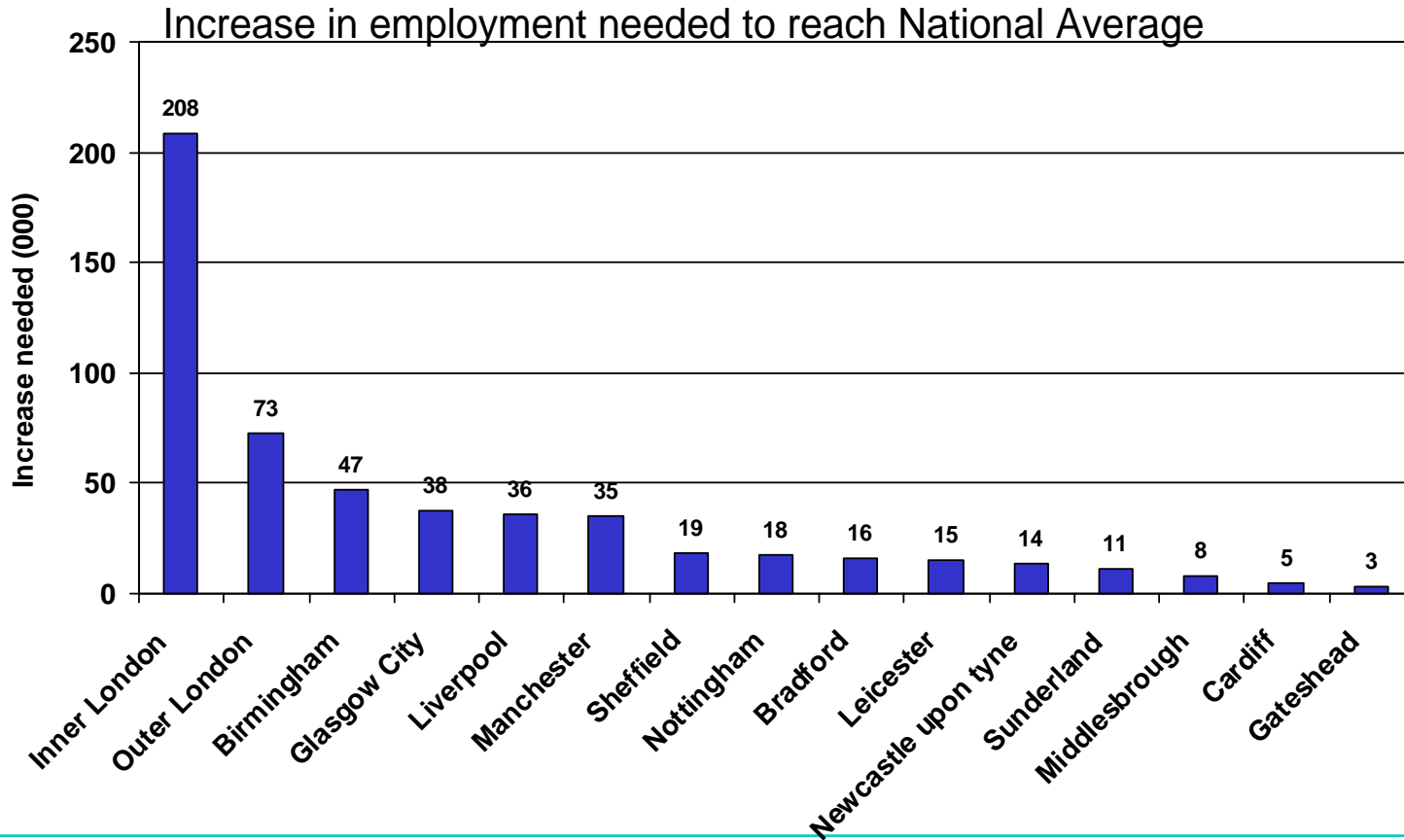
Background (III)

...particularly in cities but also in some seaside and coastal towns and some but by no means all ex-industrial areas.



Background (IV)

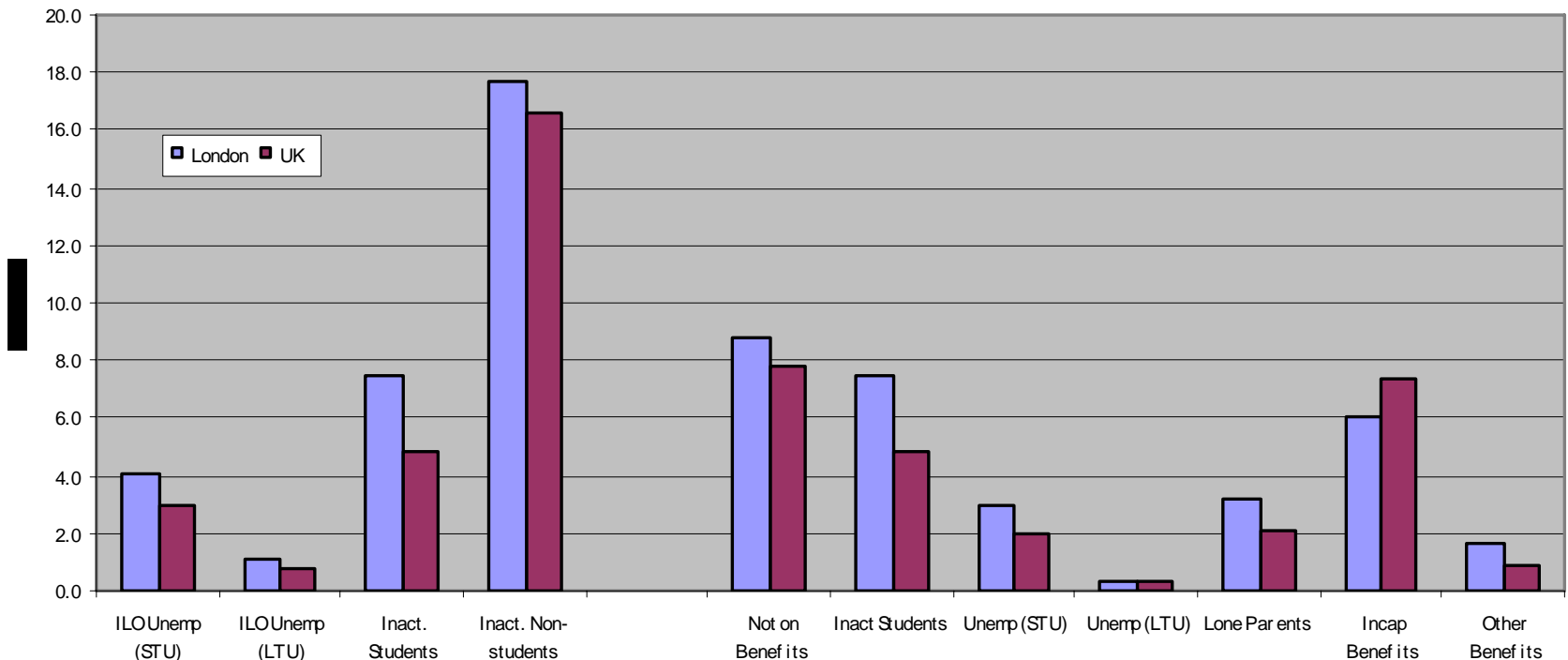
To raise rates to the national average it would be necessary to concentrate on the great cities



Worklessness

Worklessness is concentrated amongst the economically inactive and people on inactive benefits.

Workless as proportion of Working Age Population



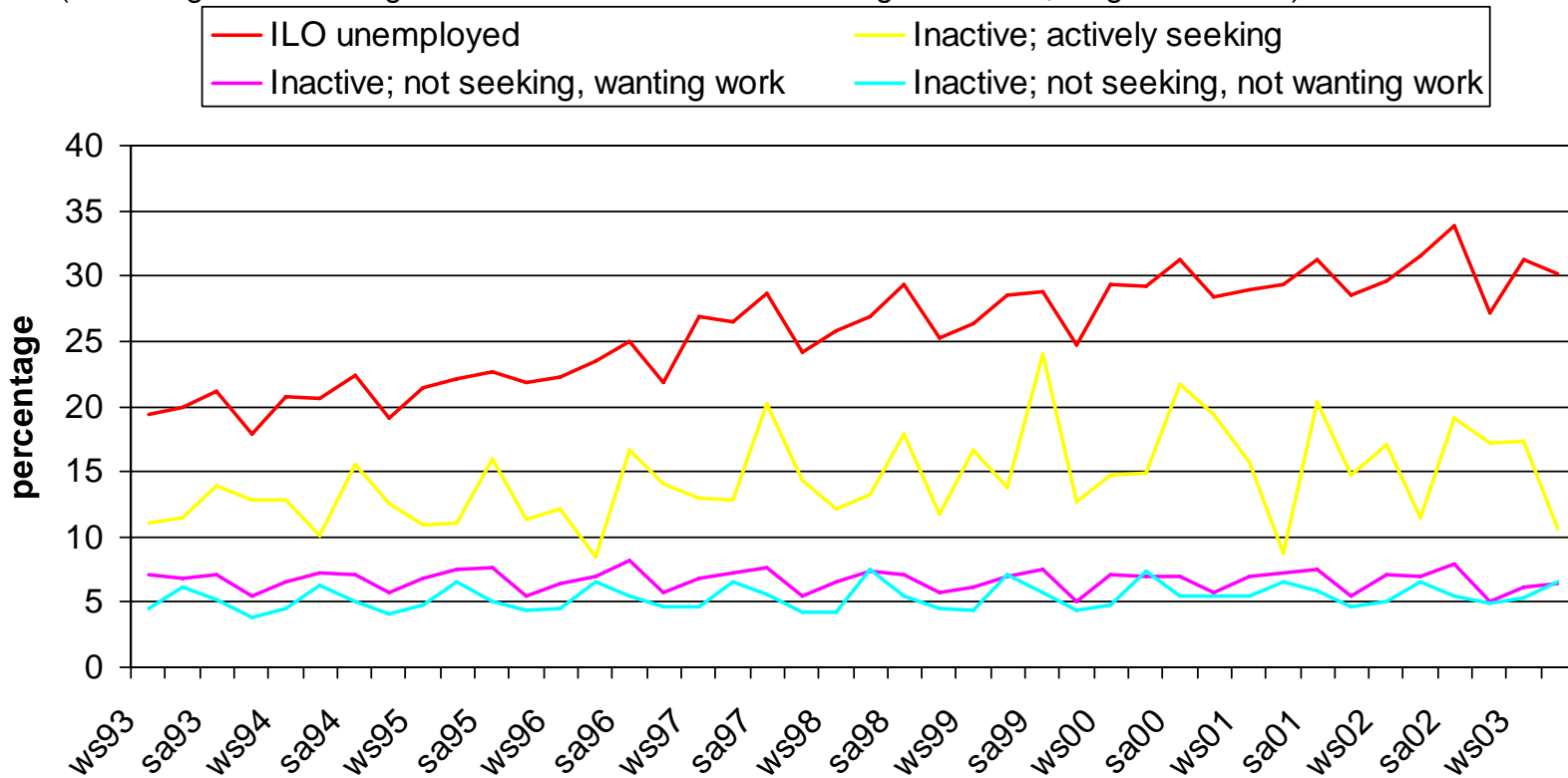
Causes of worklessness

- Functioning & delivery of welfare state promotes inactivity.
- Over-representation of social housing & ethnic minorities.
- Social housing seems to have extra effect on jobless over & above housing benefit.
- Ethnic minorities suffer from having no qualifications. And there are more of them.
- Major problem for 16-17 year olds.

Inactivity (I)

Inactivity is a problem because you can't get a job if you are not looking for a job....

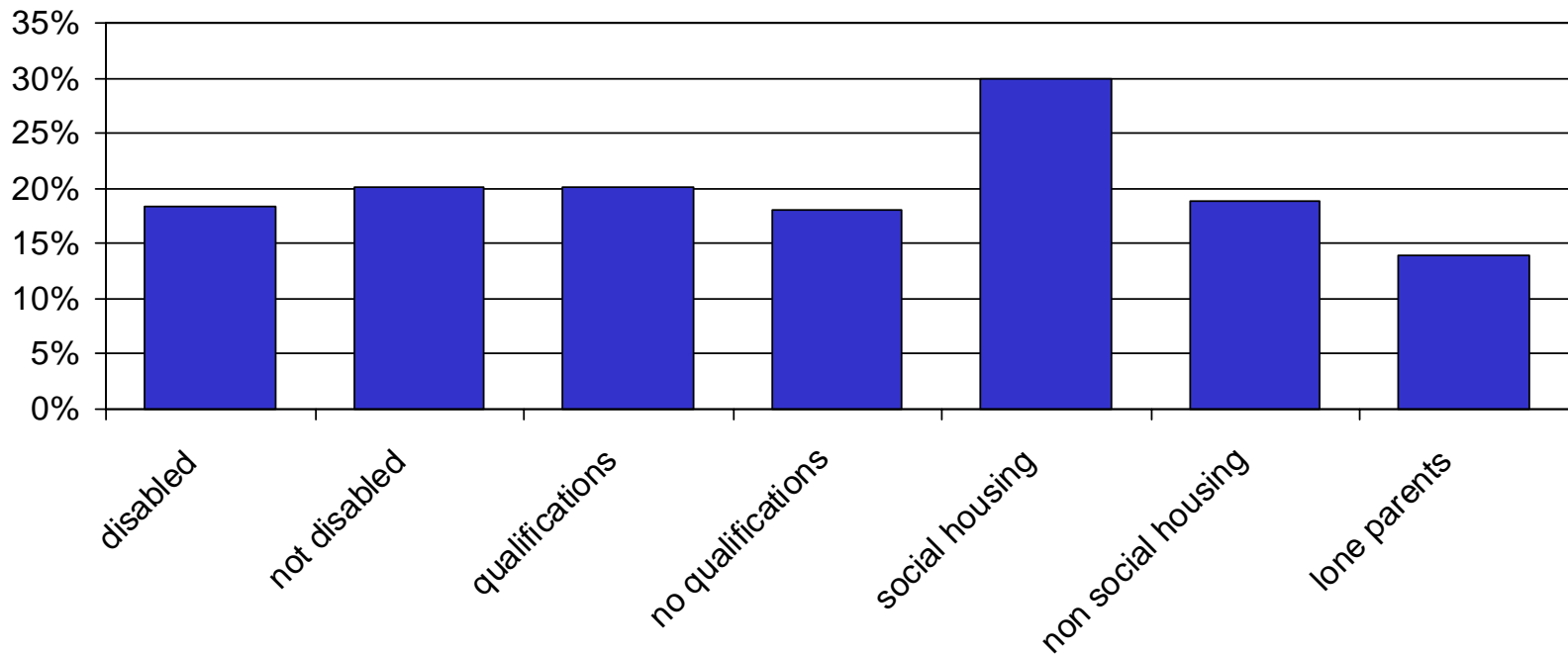
Flows from inactivity in one quarter into employment in the next quarter
(excluding those moving from education and those entering retirement, longitudinal LFS)



Inactivity (II)

...but if you look for a job there is a very good chance that you will find one. Lots do!

Proportions moving into employment in the last three months over 4 quarters



Welfare Reform

- Improve delivery – eventually moving to more flexible, discretionary model (BoND)
- Welfare to Work for inactive benefits.
 - Incapacity Benefits (Pathways)
 - Lone Parents – particularly those with older kids
- Benefit reform – ‘carrot flavoured sticks’
- Housing Benefit Reform
 - Improve administration
 - Local Housing Allowance

Timing of Welfare & Housing Benefit Reform

- Will take many years to roll out the whole reform agenda & currently have no money.
- How reforms are rolled out across the country (e.g. IB Pathways in London) will need extra money and over-riding other priorities.

So policies for people on benefits

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Policies for people not on benefit

- Outreach
- Voluntary and faith groups providers
- ESOL and basic skills training - reform
- “Demand-led” pilots
- Engagement with Welfare to Work
- Engagement with the labour market

Policies in the cities (I)

- Emerging proposals on co-ordinating and combining funding streams
- We have identified around 70 funding streams around the issues of employment and disadvantage in the cities
- They are accompanied by bidding, targeting and monitoring regimes
- It is difficult/impossible to vary funding between them
- There has been a consistent push for greater flexibility on how these funds are used...
- ...and a consistent belief that we could get more outcomes from the funding we are deploying

Policies in the cities (II)

- Proposals being developed
- MoS (EWR) has already announced:

“I want to bring all the budgets and employment programmes together in one pot so we can build a set of responses to tackle the problems [of the cities]. We need better co-ordination in the public sector”

Policies in the cities (III)

- City Strategy/Employment Trust to include local government/departmental/community/employer representatives
- To take on the pooled funding, and specification of areas to be covered, and set out expenditure plans in local areas, to deliver local employment/disadvantage targets
- Would also cover initiatives to work with local employers on a “demand led” basis
- Funding to include area based and mainstream funding from DWP
- Agreement being sought across Whitehall
- Piloting likely to be the next stage

Contact details

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