

Agenda item:

[No.]

Cabinet

On 19 July 2011

Report Title: RESPONSE TO THE SCRUTINY REVIEW OF THE HARINGEY GUARANTEE

Report of Lyn Garner, Director Place and Sustainability

Signed :

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Wards(s) affected: All

Report for: Key Decision

1. Purpose of the report (That is, the decision required)

- 1.1. Cabinet to note and agree the response to Overview & Scrutiny's review of the Haringey Guarantee.

2. Introduction by Cabinet Member - Cllr Strickland

2.1 The funding cuts from Central Government have meant that all areas of support and budget commitment have had to be reviewed. Whilst we wish, particularly in the present economic climate, to continue our valuable work in relation to employment, skills and business support, the reductions in funding have meant that we have had to make some very hard choices with regards to prioritising our limited resources.

2.2 Further to this, as a consequence of the Work Programme decision (and wider decisions around reforms to the benefits system and spending cuts), the Council has to fundamentally rethink its approach to tackling worklessness and the resources it employs to do this. To this end, we are undertaking a review to inform Member decisions about whether, and how, local worklessness programmes can continue going forward and how we can best target our limited resources in this area. Work is underway on developing a new approach for delivery from 2012 which will link employment programmes with Carbon Management and the wider green environmental agenda.

2.3 While work is underway on developing a new approach an interim programme based around a reduced Haringey Guarantee Delivery Team with commissioned interventions

focussed on young people and parents which addresses the main recommendations of the Overview & Scrutiny Review.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1 Rethinking Haringey priority – Regenerating the borough; creating opportunities for employment and educational attainment; tackling low income and poverty; providing a balance of different types of home which offer quality, affordability and sustainability
- 3.2 Sustainable Community Strategy outcome – Economic vitality and prosperity shared by all
- 3.3 Regeneration Strategy - To put People, Places and Prosperity at the heart of regeneration in Haringey.

4. Recommendations

- 4.1. That the Cabinet is asked to note and agree the response to the Overview and Scrutiny's Review of the Haringey Guarantee.

5. Reason for recommendation(s)

5.1 Following the funding cuts imposed by Central Government the Council is not able to continue the ABG funded Haringey Guarantee in its 2010/11 format. Further the failure to secure Work Programme sub-contracts has meant that Council has to rethink its approach to tackling worklessness and the resources it employs to do this.

5.2 Work is underway on developing a new approach for delivery from 2012 which will link employment programmes with Carbon Management and the wider green environmental agenda. While this work is underway on developing a new approach an interim programme based around a reduced Haringey Guarantee Delivery Team with commissioned interventions focussed on young people and parents which addresses the main recommendations of the Overview & Scrutiny Review.

6. Other options considered

6.1 Throughout the process of consultation and undertaking EqlAs alternative sources of funding and / or means of delivery have been explored.

6.2 It was hoped that the outcome of the Government's Work Programme procurement would have allowed the Council to continue to commission worklessness services from Haringey Guarantee providers. However, due to the fact that the prime contractors that the Council developed partnership arrangements with were not successful with their bids, the Council has had to fundamentally reappraise its approach to worklessness in light of the dramatic reduction of resources it has experienced, as well as the changing national policy context for benefits and economic activity.

6.3 The Government's Work Programme began delivery in Haringey in June 2011 and will focus on specific benefit claimant groups. This will provide some mitigation to the cessation of the wider Haringey Guarantee provision.

6.4 Different delivery models were considered in how best to extract best value for money and outcomes from reduced resources before deciding on the interim programme outlined at para 7.3

7. Summary

7.1 The Council's Overview and Scrutiny Committee carried out a review of the Haringey Guarantee in 2010/11. The review report main recommendations were:

- Haringey Council should continue to support the Haringey Guarantee so that all of those who need support get it and not just those who fall into the Work Programme Customer Groups.
- 18-24 Year olds should be mainstreamed in all programmes aimed at tackling worklessness in the borough.
- The Haringey Guarantee should re-visit and build on the work undertaken during the initial commissioning of the Haringey Guarantee in order to actively engage with local businesses, small business federations and trader associations
- Work should be undertaken, to identify who our local big employers are outside the public sector. These employers should be actively encouraged to recruit local residents for local jobs.
- Full Council/Cabinet to lobby the Greater London Authority through the new Local Enterprise Partnership to consider ways to overcome geographical barriers, both in terms of financial barriers and resident perceptions of travelling for work.
- That Full Council recognises that worklessness is not an individual issue but a household issue and continues to support the holistic approach which has been introduced by Haringey Guarantee projects such as Families into Work.
- That the qualitative outcomes of any Haringey Guarantee project are given equal weighting to quantitative outcomes.

7.2 Following the funding cuts imposed by Central Government the Council is not able to continue the ABG funded Haringey Guarantee in its 2010/11 format. Further the failure to secure Work Programme sub-contracts has meant that Council has to rethink its approach to tackling worklessness and the resources it employs to do this.

7.3 The Council is looking to develop a new approach to employment and a possible programme that will link with the work on Carbon Management and the wider green environmental agenda. In the interim a reduced programme will continue which will take on board a number of the recommendations of Overview & Scrutiny's Review of the Haringey Guarantee:

- The interim programme and possible new programme in 2012 will focus on those residents not supported by the Work Programme
- The programmes will have a clear focus on young people with a 50% target for people under 25
- The reduced core Delivery Team based on the Council's Employment Action Network and Families into Work will have a clear remit on employer engagement working with both small and large local businesses
- The core Delivery Team will maintain the holistic approach developed by Families into Work and targets will include supporting parents into employment

8. Chief Financial Officer Comments

8.1. Haringey Guarantee activities were previously funded by a £1.2m allocation of Area Based Grant monies. As this funding is no longer available in 2011-12, the Council has allocated £500k budget for Worklessness projects in 2011-12 as an interim measure whilst other options are developed. Any projects commissioned for 2011-12 will need to be funded from that budget

9. Head of Procurement Comments –[Required for Procurement Committee]

9.1.N/A

10. Equalities & Community Cohesion Comments

10.1. An Equalities Impact Assessment has been produced as part of the budget reductions to the Haringey Guarantee.

11. Consultation

11.1 A formal consultation with Haringey Guarantee providers was held from 15 February 2011 running to 31 March 2011 around reducing funding to the Haringey Guarantee programme due to funding cuts imposed by Central Government.

11.2 Representations received from 2 providers by end of consultation outlining the value of their projects.

11.3 Final decision on ending funding to projects taken in June 2011.

11.4 Formal consultation with staff and trades union on reducing the council's delivery teams undertaken from 4 April to 6 May 2011.

12. Service Financial Comments

12.1 The Council has committed £500,000 to supporting residents into employment in 2010/11 and this will cover the costs of an interim programme with a reduced delivery team plus funding specific interventions focussing on young people and parents.

13. Use of appendices /Tables and photographs

13.1 Appendix 1: Overview and Scrutiny Review of the Haringey Guarantee Recommendations and Response

14. Local Government (Access to Information) Act 1985

Appendix 1: Overview and Scrutiny Review of the Haringey Guarantee Recommendations and Response

Overview and Scrutiny Review of the Haringey Guarantee

The Council's Overview and Scrutiny Committee carried out review of the Haringey Guarantee during 2010/11. The key findings of its report published in March 2011 were:

- There is a need to focus on 18-24 year olds in any local programme around worklessness.
- Greater engagement is needed with local businesses to highlight the Haringey Guarantee and get local jobs for local people.
- There is a challenge in moving away from public sector jobs to private sector jobs.
- The holistic approach used by the Haringey Guarantee projects is beneficial to local residents.
- Commissioning for outcomes should be continued where possible, alongside the Work Programme output measures (should the Haringey Guarantee become a sub-contractor).

It recommended that:

Future of the Haringey Guarantee

Haringey Council should continue to support the Haringey Guarantee so that all of those who need support get it and not just those who fall into the Work Programme Customer Groups.

That the qualitative outcomes of any Haringey Guarantee project are given equal weighting to quantitative outcomes.

That the Haringey Guarantees continues with it's flexible approach in order to shape itself for the new Work Programme whilst continuing to support the most vulnerable into work.

18-24 Year olds

18-24 Year olds should be mainstreamed in all programmes aimed at tackling worklessness in the borough.

Work with Local Businesses

Haringey Council should continue to regenerate Tottenham and lift its profile in order to facilitate a positive perception of N17.

The Haringey Guarantee should re-visit and build on the work undertaken during the initial commissioning of the Haringey Guarantee in order to actively engage with local businesses, small business federations and trader associations to:

- Gain an understanding in the skill set they are looking for in potential

- employees.
- Promote the Haringey Guarantee brand.
- Work to reduce the perceived stigma of people with mental health needs and those who have been on Incapacity Benefit.
- Work to reduce the perceived stigma of N17.
- Get local businesses to sign up to the 'Job ready' Haringey Guarantee stamp.
- Encourage the recruitment of local people in local jobs.
- Identify opportunities for apprenticeships.

Work should be undertaken, to identify who our local big employers are outside the public sector. These employers should be actively encouraged to recruit local residents for local jobs.

Geographical Barriers

Full Council/Cabinet to lobby the Greater London Authority through the new Local Enterprise Partnership to consider ways to overcome geographical barriers, both in terms of financial barriers and resident perceptions of travelling for work.

Where possible and practical the Haringey Guarantee should build travel confidence training in its support package.

Haringey Guarantee projects

That Full Council recognises that worklessness is not an individual issue but a household issue and continues to support the holistic approach which has been introduced by Haringey Guarantee projects such as Families into Work.

Consideration to be given to ways in which the council can support the continuation of this holistic approach and where resources allow replicate principles of Families into Work model in other areas where this may add value.

Meganexus

That Meganexus' capabilities are effectively and fully utilised by all providers under the Haringey Guarantee.

Response

In determining its response to Overview and Scrutiny Review of the Haringey Guarantee the Council has had to consider how best to meet the ongoing challenge of worklessness in the borough.

The Council has committed £500K in 2011/12 to tackle worklessness and is looking to develop a new approach to tackle worklessness linked to Carbon Management, Green skills and the wider environmental agenda from 2012. An interim programme for 2011/12 will be delivered while work is underway in developing a new approach and programme for 2012 onwards. While addressing Overview and scrutiny's recommendations an interim programme needs to extract best value for money and outcomes and deliver to residents and areas not covered by DWP mainstream provision.

The Challenge and Need

Worklessness remains a persistent problem in Haringey. In the year to June 2010, 60.5% of Haringey's working age population (all people aged 16-64) was in employment, lower than both the London and England averages of 68.1% and 70.5% respectively. This employment rate ranks Haringey amongst the bottom 5% local authority areas in England.

Youth unemployment is a particular issue in the borough, with the number of people aged 18-24 claiming JSA currently standing at 2,120. Although this 8% lower than a year ago, the claim rate of 9.7% is higher than the London (6.4%) and England (6.8%) averages.

There are currently (January 2011) 289 young people aged 16 to 18 who are not in education, employment or training (NEET) in Haringey, representing 6.6% of all 16 to 18 year olds in the borough that are known to the Connexions service. Although this is below the LAA stretch target of 8.9%, we are committed to reducing our NEET cohort further, despite current economic conditions.

The prime focus of the Coalition Government in tackling worklessness is to reduce the welfare bill and move people off benefits and into work thereby saving on the welfare budget. **The whole thrust of the Government approach is focussed on benefit claimants and changing the benefit system.** Economic inactivity is not a real concern if it is not a drain on the exchequer. This excludes large numbers of workless residents from the reach and support of the Work Programme.

The Work Programme reflects the Government thinking on worklessness.

The Work Programme is expected to produce a step change in welfare to work programme job-outcome performance. The stated aim is to move people into sustained work. The Department for Work and Pensions will refer benefit claimants to Work Programme contractors under the contracts announced in April 2011 up to March 2016.

However the Work programme **will not cover all those who are workless. It will only cover benefit claimants in certain eligible groups.**

Of the 2,120 under 25s currently claiming JSA in Haringey 1,970 will not be covered by the Work Programme;

Of the 8,420 over 25s currently claiming JSA in Haringey 5,350 will not be covered by the Work Programme;

There are 15,820 Incapacity Benefit/Income Support claimants in Haringey who will not be covered initially by the Work Programme. Lone parents receive Income support. *It is estimated by DWP/JCP that only a total of 3,000 from IB/IS claimants in all of the West London (15 boroughs) Work Programme area will be referred to the Work Programme from 2011/12 to 2013/14.*

This totals 22,840 benefit claimants in Haringey who will not be covered by the Work Programme. Included in these figures are 4,720 lone parents, 1,390 carers and 1,130 people with disabilities.

Where are these groups located in Haringey?

Based on a 4 quarter average of people claiming out of work benefits from February 2010 to November 2010 (total 27,240);

There are 12 wards that have at least one Super Output Area with an out of work benefits claim rate of 25% and over:

A new programme will focus on the 12 wards that have at least one Super Output Area with an out of work benefits claim rate of 25% and over outlined above.

Programme Focus and Options

To extract the greatest value for money and best impact outcomes from available funding a clearly focussed programme with clear outcomes is essential.

Priority Groups

Youth unemployment is a particular concern with under 25s making up 20% of JSA claimants and with the loss of EMA supporting young people to stay in education and the ending of the successful Future Jobs Fund programme this is likely to increase.

Lone parents are a significant group but more will be migrated from Income Support to JSA once the youngest child is 5 from October 2011. Supporting parents into work is a significant factor in reducing child poverty.

People with disabilities make up 5% of the people who will not be supported by the Work Programme and face significant barriers in accessing employment.

Any programme should factor in outcomes around young people, parents and people with disabilities. It is proposed that target outcomes for a focussed programme would be:

Young People (under 25) 50%

Parents	25%
Disabled	10%

The 2011/12 programme will have 2 main features:

A reconfigured and smaller **Delivery Team** (1 Manager & 5 Advisers) combining the current council **Employment Action Network** and **Families into Work** teams operating from **Northumberland Park NRC** offering employment support, advice and job brokerage to individuals and families.

Plus

Commissioned Interventions

Specific interventions to build on the core **Delivery Team** outcomes with an emphasis on young people, parents and people with disabilities.

This interim programme and any new approach and programme from 2012 will address **Overview and Scrutiny's** recommendations by:

- The interim programme and possible new programme in 2012 will focus on those residents not supported by the **Work Programme**
- The programmes will have a clear focus on young people with a 50% target for people under 25
- The reduced core **Delivery Team** based on the Council's **Employment Action Network** and **Families into Work** will have a clear remit on employer engagement working with both small and large local businesses
- The core **Delivery Team** will maintain the holistic approach developed by **Families into Work** and targets will include supporting parents into employment

