



## ECONOMIC REGENERATION AND TRANSPORT SCRUTINY PANEL

### EXECUTIVE SUMMARY OF THE PANEL'S REVIEW OF WORKLESSNESS

**Purpose** - The overall aim of the Scrutiny investigation was to make recommendations in relation to the Council's, and its partner agencies', role in tackling worklessness and more broadly on the nature of a strategic approach to tackling worklessness in Middlesbrough.

**Findings** – As a relatively new term, which can be used to describe those without work, the panel began its review by establishing its definition of the term worklessness. This was agreed as follows: *‘Those people who are unemployed and claiming benefits and also those who are not claiming benefits but who are involuntarily out of work and therefore considered economically inactive.’*

The panel investigated Middlesbrough's workless population, its size, characteristics and causes. The panel also examined the structure and nature of current projects aimed at reducing worklessness in Middlesbrough including an assessment of the effectiveness of these projects, their funding, gaps in provision and whether or not there was a degree of co-ordination between projects.

Middlesbrough has one of the worst six concentrations of worklessness in England and local pockets of worklessness are grouped together in certain wards. Statistically, 70.4% of the working age population are economically active, compared with 73.5% regionally and 78.3% nationally. There are almost 20,000 residents claiming Incapacity Benefit (IB) or Income Support and 50% of those residents have claimed IB for more than 12 months. Worklessness can have a detrimental effect not only on the Town but on people's life chances and on their personal self-confidence.

The Council have prioritised, through the Mayor's reduction agenda, a number of issues within the 'promoting the economic vitality of Middlesbrough' theme, which will have an impact on worklessness, including supporting a range of employment initiatives to assist people into employment. The panel also considered that reducing the number of workless people was an important priority for the Council.

The panel found that there was a lot of provision in Middlesbrough to address the worklessness agenda, including Middlesbrough wide provision, projects based within disadvantaged wards and area based initiatives. However, it was found that projects were often supported by short-term funding, that there was a duplication of services and that there was a lack of a co-ordinated approach. Analysis for the review undertaken by Officers showed that for many of the existing projects, their core funding was scheduled to end in March 2006 and for some organisations it would mean that they would cease to operate.

The panel also found that it was difficult to establish an in-depth analysis of the impact of the organisations involved, due to the newness of the worklessness agenda. It was found that work was only in the initial stages to just begin to map the organisations involved and it was recognised that there was a need to evaluate the impact of such projects.

The panel's work was assisted by a report undertaken for the Economic Development Team by Shared Intelligence. That report concluded that the best way forward was to develop a co-ordinated approach through the Local Strategic Partnership by a group to be called 'Middlesbrough Works'. This body would be made up of key stakeholders, including the Council, which would take ownership of a Local Employment Strategy and develop programmes for residents to enter into employment and training.

### CONCLUSIONS

1. That Middlesbrough has one of the worst six concentrations of worklessness in England. This is a serious barrier both to the economic renewal of the town and to ensuring that the benefits of economic growth are shared by all the people of the town.

2. That dealing with and tackling worklessness is a complex issue that needs a holistic approach that is a far wider challenge than simply providing more jobs. It involves partnerships with organisations such as health professionals, government agencies, local employers, training organisations, job brokerage agencies, the council and the voluntary sector.
3. Bearing in mind all of the barriers which workless residents face in gaining employment it is clear that simply creating new employment opportunities in the town is not sufficient to ensure that the proportion of workless households will decrease. Access to new jobs created is a key factor.
4. The Panel recognises that many people in receipt of incapacity benefit and income support are not able to work. Nevertheless, the panel also recognised that many of the 20,000 Middlesbrough residents of working age who are surviving on incapacity benefit and income support need to be encouraged to see training and employment as a route out of dependency on state benefits.
5. That the panel acknowledges the research and evidence undertaken by Shared Intelligence and are supportive of the proposals resulting from the review, namely the development of a co-ordinated approach through the establishment of Middlesbrough Works.
6. That there are currently a large number of organisations that exist to support the worklessness agenda and a co-ordinated approach is vital to avoid duplication. However the panel acknowledges that work to address the issue of worklessness is still in its infancy and that research into the impact of the work carried out is limited at this stage.
7. Following discussions with external service providers there was some evidence of their impact in terms of getting people into jobs/business. However more work needed to be undertaken to analyse the impact on worklessness of the various schemes and to ensure that agencies are not recycling the same beneficiaries or concentrating their efforts on the work ready rather than long term workless residents.
8. The panel was dismayed to learn of the reductions in the services provided by Job Centre Plus. At a time when the government is wanting to reduce worklessness in the region these reductions are at odds with this stated desire to give every assistance to people not in work to find suitable employment.
9. Whilst worklessness is an area in which the Council has little direct responsibility there is a need for Middlesbrough Council to take the lead as a co-ordinator of provision and to consider its own role as a major local employer.

**RECOMMENDATIONS - That the Economic Regeneration and Transport Scrutiny Panel recommends to the Executive:**

1. The Council vigorously pursues its role as a co-ordinator of agencies operating in the field of tackling worklessness through the establishment of the Middlesbrough Works Partnership.
2. That reducing the proportion of Middlesbrough residents who are workless should be a very high priority for action and for policy development. A specific target should be set for reducing the numbers of workless people in the town and that reports on the progress towards meeting that target should be provided to the Middlesbrough Works Group and the Economic Regeneration and Transport Scrutiny Panel on annual basis.
3. The Council should consider how employment opportunities within the authority could be used to attract, train and employ workless residents.
4. In developing new opportunities for employment with inward investors in the town, every effort should be made to ensure that as many of the new jobs created as possible are filled by previously workless Middlesbrough residents.