

**REPORT TO THE OVERVIEW AND SCRUTINY BOARD**

**3 APRIL 2007**

**PANEL'S VIEWS ON THE WORKLESSNESS UPDATE**

**PURPOSE OF THE REPORT**

1. To report the Economic Development and Transport Scrutiny Panel's response to the update received from the panel's review of Worklessness.

**BACKGROUND**

2. The panel made a number of recommendations following the review, one of which was for the service area to come back to the panel to report on the targets for reducing the numbers of workless people in the town and on the progress of the Middlesbrough Works (key partners from a number of agencies working together on the worklessness agenda).
3. The panel's review considered 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.
4. The review found that Middlesbrough had one of the worst six concentrations of worklessness in England. There were a number of initiatives that had been established to tackle worklessness for which there needed to be a holistic approach involving a number of agencies. The panel wanted to see a rationalisation of the number of job creation agencies which provided a more co-ordinated approach and that priority for new jobs which are created should be given to Middlesbrough residents in order to reduce the number of people claiming benefits.
5. In updating the panel, the Economic Development Manager outlined that there had been a lot of developments in this area since the panel's review.
6. Middlesbrough Works have made significant steps forward in bringing together and co-ordinating the strategic objectives which co-ordinate employment initiatives. It is hoped that over time that this may rationalise the raft of agencies

that deliver employment initiatives. Middlesbrough Works has begun to influence the commissioning of initiatives and to align the funding streams in line with the objectives of the Local Employment Strategy.

7. However, despite efforts in trying to deliver a better co-ordinated programme at a local level, unemployment has continued to rise.

### **Initiatives to Tackle Worklessness**

8. There have been a number of external factors that have influenced the worklessness agenda in Middlesbrough. Including the introduction of the Job Centre Plus Initiative, Pathways to Work, which will help people off incapacity benefit and back into work. However there has been a number of changes to funding arrangements including the introduction of the Deprived Area Fund (DAF) which £180,000 of funding must be spent by the Council by the end of March and the Council will receive £580,000 for 2007/8.
9. The Middlesbrough Council 'guaranteed interview initiative' which offers Incapacity Benefit claimants who access the worklessness pilot through the Shaw Trust a guaranteed job interview if they meet all of the essential criteria has been launched however, to date, no one has been through the scheme.
10. Action Teams for Jobs ended in September 2006 which had a major impact although it was to be replaced by the DAF. The Worklessness Pilot began in November 2006 in conjunction with the Shaw Trust. The roll out of Area Based Initiatives has taken place and residents can now access employment and training support through gateways in Hemlington, East Middlesbrough, Grove Hill and Easterside and West Middlesbrough.
11. It should be noted that the corporate objective of assisting 700 people into employment is well on its way to achieving its target. To date 568 people have been placed into employment.
12. It was hoped that a solution to the number of organisations, which existed to help workless people in Middlesbrough, would be to have one point of access for residents. This could perhaps come under the banner of 'Middlesbrough Works' which would eliminate any confusion amongst residents who are currently faced with a number of different organisations which they can go to in order to find a job.

### **CONCLUSIONS**

13. From the information presented, the panel was concerned that the introduction and the withdrawal of government initiatives, which can often be at short notice, heavily influenced the worklessness agenda and that this was quite frustrating.
14. The panel were also concerned that a year after the panel's review and following the work that had been undertaken by the Council, by Middlesbrough Works and by the Government that there had been no improvement in the level of worklessness in Middlesbrough and that unemployment had continued to rise.

15. That, with the approval of the OSB, this update should be submitted to the Executive to bring to their attention the panel's updated recommendation.

### **RECOMMENDATION**

16. That based on the information presented to the panel that the Executive investigates ways that regeneration initiatives, which attract employers to the town, can be linked to projects which assist workless people in Middlesbrough in order to tackle the rising levels of worklessness in Middlesbrough.

### **BACKGROUND PAPERS**

17. Minutes of the Economic Regeneration and Transport Scrutiny Panel 5 March 2007

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