

Worklessness Costs Audit

Report for London Councils

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1. EXECUTIVE SUMMARY

- 1.1 Programmes to tackle worklessness and employability issues are primarily national (led by Jobcentre Plus and the Learning and Skills Council) and regional (led by the Mayor, London Development Agency, London Skills and Employment Board and Government Office for London). London Borough Councils have played a smaller but significant role. At present, major political parties are actively discussing devolving some (but unspecified) powers and responsibilities to local authorities, with or without the necessary funds.
- 1.2 This report assesses the cost of worklessness in London, and reports on the views of a range of boroughs of all persuasions and circumstances as to whether they could be more effective at tackling worklessness than the current national and regional programmes.
- 1.3 Boroughs believe that they know their populations, their circumstances and their possibilities better than regional and national bodies, and are therefore well placed to be more effective in tackling worklessness.
- 1.4 At the same time, major political parties are discussing whether and how to fund programmes to tackle worklessness out of the savings in welfare benefits when the workless start work. This report identifies that a very large part of the benefit savings are in Borough-administered benefits such as Housing and Council Tax Benefit, rather than DWP-administered benefits such as Jobseeker's Allowance. Boroughs thus relate to the workless HB or CTB claimants as a group, rather than whether they fall into the silos of Jobseeker, lone parent or Incapacity Benefits as does DWP.
- 1.5 If Boroughs can produce greater effectiveness in tackling worklessness, and are administering very large proportions of the relevant benefits, then a case can be made that Boroughs should benefit from the savings in welfare benefits to which they have contributed.
- 1.6 There are currently over 1.5 million Londoners who are workless¹, around 30 per cent of the working age population. Many of the younger workless are also students but older age groups experience very high levels of worklessness in London compared to the rest of the country.
- 1.7 London Councils recognised that the scale of worklessness in London means that London is significantly less prosperous than could be the case if the levels of worklessness were similar to the remainder of the country.
- 1.8 The overall cost of worklessness is given by the difference between costs and spending on the workless by Government when people are out of work, and when they are in work. This mainly consists of benefit payments and the cost of

¹ 12 month average from April 2008 to May 2009

administering them plus the amount spent on setting up programmes to help the workless into employment – at both the national and regional level.

- 1.9 In public accountancy, the costs divide into two categories – Annually Managed Expenditure (AME), which covers social security benefits (and some other categories) and is not cash limited, and cash-limited Departmental Expenditure Limits (DEL), from which programme spending and administration is drawn.
- 1.10 In this context, improvements in the effectiveness of tackling worklessness by Borough leadership of programmes involves programme spending (DEL) to save benefits (AME).
- 1.11 If Borough leadership of tackling worklessness programmes was able to raise effectiveness and produce savings on a whole of Government basis, Boroughs would have a very strong argument for a significant proportion of those benefit savings to accrue to Boroughs.
- 1.12 The largest single element contributing to the direct cost of worklessness is the benefits paid. On top of this are passported benefits (benefits paid automatically to people in receipt of another benefit) which consist mainly of free school meals and health benefits. In terms of Housing Benefit (HB) and Council Tax Benefit (CTB), we needed to generate an estimate of the part of HB and CTB expenditure which goes to workless people.
- 1.13 Funding for programmes to tackle worklessness contains a number of different funding streams which we have gathered as much information as possible in the time. We have derived estimates of the total number of participants on various Government programmes in London. These are based on combining national figures with the percentage of starters or participants who are in London.
- 1.14 The modelling exercise identified the benefit savings by the benefit administering body. Therefore Housing and Council Tax Benefit savings are listed as Local Authority. These are administered by Boroughs for DWP.
- 1.15 Combining the benefit expenditure figures with our estimates of the part of spending on HB and CTB which goes to workless individuals with our estimates of programme spend gives an overall figure for the cost of worklessness in London of around £5.1 billion for 2009/10.**
- 1.16 Boroughs were confident that they could improve effectiveness over existing programmes. Some had evaluation and audit evidence of high levels of cost-effectiveness. However, comparisons were rarely drawn in evaluations with national programmes: confidence they could do better is based more on the belief of key local personnel that, given the funds and responsibilities, they could improve on regional and national programmes, than on evaluated evidence that this is definitely the case.**

Main Findings

- There are around 1.5 million people who are workless in London – which is roughly 30 per cent of the working age population.
- We estimate that the current total cost of worklessness in London is around £5.1 billion for the financial year 2009/10. The vast majority of this is made up of benefit payments: £4.8 billion. The rest is made up of programme costs (including Working Neighbourhoods Fund and European Social Fund): £275 million.
- In terms of Housing Benefit (HB) and Council Tax Benefit (CTB), we needed to generate an estimate of the part of HB and CTB expenditure which goes to workless people. At the London level this gives weekly HB expenditure of £36.5 million to workless people and £15.0 million to people who are employed. For CTB in London, we estimated a weekly CTB payment of £4.8 million to workless people and £1.4 million to employed people of working age.
- In terms of moving people into work the benefit to the HMRC is usually a negative one as those moving into work can start claiming Working Tax Credits but the overall benefits to government are positive due to saving in benefit payouts for the Department for Works and Pensions.
- There are additional benefits from tackling worklessness in terms of reducing crime and improving health but these are not easily quantifiable.

2. INTRODUCTION

- 2.1 This report presents the results of a project, commissioned by London Councils, which set out to firstly identify the costs of worklessness in London, including benefits and programme expenditure for a range of household types, modelling the savings (including identifying the indirect savings) arising from moving households into work, identifying the effectiveness of existing programmes in securing sustained job outcomes and finally reporting on the views of a selection of London boroughs on the improvement in effectiveness that could be obtained if they had control of the overall funding to tackle worklessness in their areas.
- 2.2 There are currently over 1.5 million people who are workless, that's around 30 per cent of the working age population. Many of the younger workless are students but older age groups also experience very high levels of worklessness in London compared to the rest of the country. Appendix 1 (Tables A1 and A2) show workless figures for London boroughs by age. The highest workless rate (those not in employment as a proportion of work age) is in Newham with nearly 42 per cent, followed by Tower Hamlets with 38.2 per cent. The national rate is 26.3 per cent.
- 2.3 London Councils recognises that the scale of worklessness in London means that London is significantly less prosperous than could be the case if the levels of worklessness were similar to the remainder of the country. There are particular issues of worklessness affecting substantial groups of Londoners, in particular, parents and especially lone parents, BME groups, disabled people and people lacking qualifications and skills. These issues have different levels of incidence across the boroughs.
- 2.4 In the light of Government consideration of localised, more personal support in tackling worklessness, and the earlier experiments with City Strategies, London Councils wishes to examine the scale of costs of worklessness across London Boroughs, with a view to establishing the costs and benefits of a more radical proposal. The more radical proposal is for a single employment programme to operate sub-regionally within London. This would pool current funding streams to achieve more locally-directed commissioning and accountability as Borough Councils have a very high level of knowledge of the issues and problems facing their residents in looking for work, and practical experience of dealing with these issues.
- 2.5 The project was split into two stages. Stage 1 consisted of two elements; a data capture element and modelling of the costs of worklessness and of moving to work. Stage 2 asked the views of the boroughs.
- 2.6 For stage 1 a number of assumptions were made and from that the indicators identified.

- 2.7 Firstly, the overall cost of worklessness is given by the difference between costs and spending on the workless by Government when people are out of work, and when they are in work. This mainly consists of benefit payments and the cost of administering them plus the amount spent on setting up programmes to help the workless into employment – at both the national and regional level.
- 2.8 In public accountancy, the costs divide into two categories – Annually Managed Expenditure (AME), which covers social security benefits (and some other categories) and is not cash limited, and cash-limited Departmental Expenditure Limits (DEL), from which programme spending and administration is drawn.
- 2.9 The distinction is significant for this project because the aims are to assess whether London Councils could more effectively spend programme spending etc (DEL), with the savings largely coming from benefit savings (AME). HM Treasury has been highly resistant to using benefit savings to fund programmes, and, particularly, to financing that funds programmes in advance of the achievement of the benefit savings to fund them. Such funding mechanisms are known as the DEL-AME switch.
- 2.10 However, both the Government and the Conservative opposition have proposed to use benefit savings to fund programmes, with the opposition proposals being more radical than the Government proposed pilots².
- 2.11 In this context, improvements in the effectiveness of tackling worklessness by Borough leadership of programmes involves programme spending (DEL) to save benefits (AME). The benefit savings would accrue to Borough-administered benefits such as Housing Benefit, Council Tax Benefit and Free School Meals as well as to DWP administered benefits such as Jobseeker's Allowance, Income Support, Incapacity Benefit and Employment and Support Allowance.
- 2.12 If Borough leadership of tackling worklessness programmes was able to raise effectiveness and produce savings on a whole of Government basis, Boroughs would have a very strong argument for a significant proportion of those benefit savings to accrue to Boroughs.

² Conservatives: Work for Welfare: REAL welfare reform to help make British poverty history, Conservative Party, 2009, downloaded from [http://www.conservatives.com/Policy/Where we stand/Welfare and Pensions.aspx](http://www.conservatives.com/Policy/Where_we_stand/Welfare_and_Pensions.aspx) - page 38.

Government: White Paper - Raising Expectations and increasing support: reforming welfare for the future. December 2008 <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/raising-expectations/> - executive Summary para 18.

3. COSTS OF BENEFITS

3.1 The largest single element contributing to the direct cost of worklessness is the benefits paid. Table 1 and Charts 1 and 2 present a summary of the numbers claiming the main benefits and an estimation of the amounts of benefit paid. Appendix 1 presents tables for London boroughs (Tables A3 to A5).

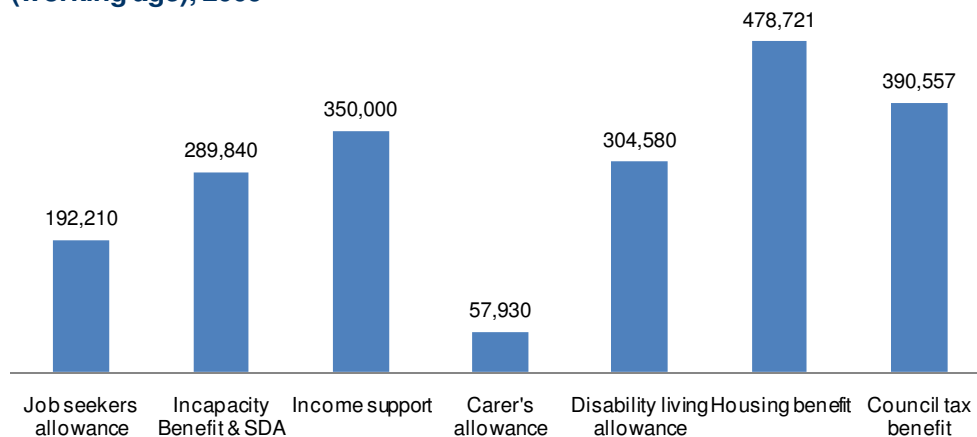
Table 1 Number of people claiming benefits and amounts paid (working age in London), 2009

	Job seekers allowance ³	Incapacity Benefit & SDA	Income support	Carer's allowance	Housing benefit	Council tax benefit
Number of people claiming benefit (working age)	192,210	289,840	350,000	57,930	478,721	390,557
Total estimated amount for the year (£000's)	548,704	1,363,076	1,566,604	153,868	1,134,640	2,676,388

Source: DWP.

- All benefits relate to February 2009 apart from Housing and Council Tax benefit which relates to May 2009.
- Disability Living Allowance (DLA) is not included. The DLA higher level mobility component (received by 99,530 working age people in London) is the trigger for Motability cars and scooters, and a trigger for the London Taxicard and Dial-a-Ride schemes. Many users of these services use them to get to work. We do not, however, know how many of those receiving Disability Living Allowance only, (the DWP's disabled category) are in work.
- Total estimated amount for the year is calculated using average weekly payments shown in Appendix A4 and A5.

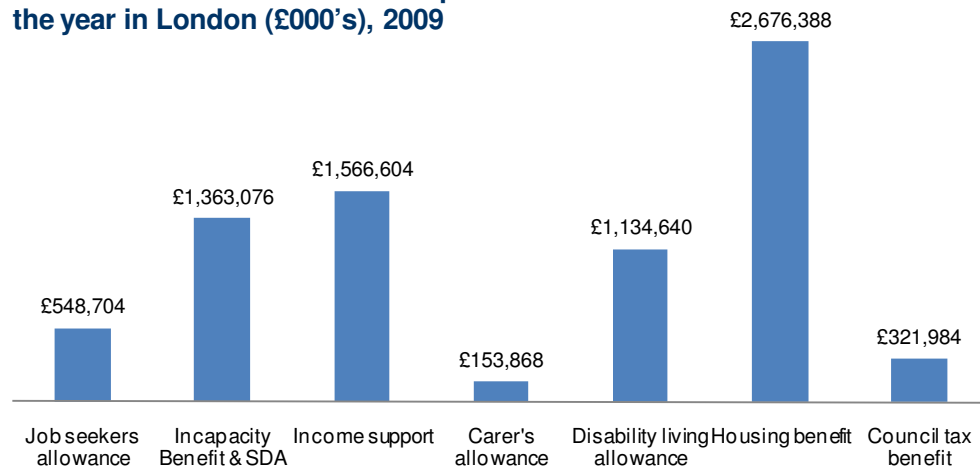
Chart 1: Number of people claiming benefit in London (working age), 2009



Source: DWP

³ The number claiming unemployment related benefits (claimant count) was 224,393 in August 2009: claimant count figures are more up to date than figures for benefits.

Chart 2: Total estimated amount paid in benefits for the year in London (£000's), 2009



Source: DWP

Passported Benefits

3.2 Passported benefits (benefits paid automatically to people in receipt of another benefit) consist of two key benefits, free school meals and help with health costs. Free school meals, can be claimed if the parent/parents are receiving:

- Income Support (IS)
- Income based Job Seeker's Allowance (IBJSA)
- Any income related element of Employment and Support Allowance
- Child Tax Credit (CTC), but not Working Tax Credit, and your income is less than £16,040 (as assessed by HM Revenue and Customs)
- Child Tax Credit (CTC) and Working Tax Credit (WTC) and your income is less than £6,420 (as assessed by the Inland Revenue)

3.3 If you are between 16 and 18 years old and receive any of these benefits in your own right, you can claim free school meals for yourself. You may also be eligible if you are an asylum seeker receiving support under Part VI of the Immigration and Asylum Act 1999.

3.4 It is assumed that Free School Meals relate to families with dependent children, and that these families (including lone parent families) are likely to be of working age. Table 2 presents a summary of the numbers in London. Appendix 1 presents tables for London boroughs (Tables A6 and A7).

Table 2 School Meal Arrangements for London, January 2007

	Number on roll	Pupils taking free school meals	% taking free school meals	No. known to be eligible for free meals	% known to be eligible for free meals
Maintained Nursery/Primary Schools	634,860	134,600	21.2	159,700	25.2
Maintained Secondary Schools	417,400	72,540	17.4	93,660	22.4

Source: School Census

- 3.5 A far higher proportion of children in Inner London live in workless households than anywhere else in England. Outer London is unique compared to the rest of London and other regions in that there was no decline in the proportion of children in workless households in the ten years from the mid-1990s. In 2007, the overall proportion of children in workless households in London is about 24% - this corresponds to the percentage eligible for free school meals.
- 3.6 In 2008 the Government announced a free school meals pilot for primary school children in deprived areas who will be given free healthy school meals in a £20 million drive to cut obesity and get young people eating more healthily.
- 3.7 The pilot will run for two years beginning in September 2009, with the option of extending it into a third year. The objective will be to gather evidence on the effectiveness of free school meals provision, including cost effectiveness, for use by local authorities and PCTs.
- 3.8 Health-related passported benefits are more difficult to measure and to assign to working-age households.
- 3.9 Health costs: If someone falls into one of the categories below they will get free prescriptions, free dental treatment, free sight tests, vouchers for glasses or contact lenses, full help with their fares to attend a hospital or any other establishment for NHS Treatment or services. They will be exempt from these charges if they receive:
- Child Tax Credit and their gross annual income used to calculate their tax credit award does not exceed £15,276 or;
 - Child Tax Credit and Working Tax Credit and their gross annual income used to calculate their tax credit award does not exceed £15,276 or;
 - Working Tax Credit including a disability or severe disability element and their gross annual income used to calculate their tax credit award does not exceed £15,276 per annum.
- 3.10 If they do not qualify for exemption from these charges because they do not meet any of the criteria above they may still be able to qualify for some help under the NHS Low Income Scheme. The scheme is administered by the NHS.
- 3.11 Health Start Scheme: Under the Healthy Start Scheme, those who qualify can exchange vouchers for milk, fresh fruit, fresh vegetables and infant formula milk. They can also get free vitamin supplements.
- 3.12 Generally women qualify for free vouchers under the scheme if they are more than 10 weeks pregnant or have a child under four years old, AND they (or a member of their family) are entitled to Child Tax Credit (not Working tax Credit) and an annual income of below £16,040 or less (2009/10).

Calculating the cost of Housing and Council Tax Benefit payments to workless people

- 3.13 Appendix Table A5 gives weekly expenditure figures for Jobseekers' Allowance (JSA), Incapacity Benefit (IB) and Severe Disablement Allowance (SDA), and Income Support (IS) all benefits paid to workless individuals. In addition, Housing Benefit (HB) and Council Tax Benefit (CTB) are paid to workless people, people in employment who are low paid and older retired people with low incomes. Unfortunately data is not published for local authority districts on those parts of HB and CTB which are paid to people of working age who are not in employment. Hence we need to generate an estimate of this expenditure. The following paragraphs summarise how this was done. Fuller details of our methodology are set out in Appendix 6.
- 3.14 The estimates are based on a combination of national data which have a greater breakdown of the number of claims and levels of expenditure on HB and CTB which go to different groups and more aggregated data for the 33 London boroughs. We first estimated the number of HB and CTB claims which are made to people of working age who are workless, or in low paid employment. When our estimates for the number of HB and CTB claims going to these two groups are added together they are remarkably close to the official figures for the total number of HB and CTB claims by people of working age. This suggests that our approach gives very good estimates of the number of housing benefit claims by borough.
- 3.15 We then need to move from these estimates of the number of people claiming HB and CTB to estimates of expenditure on these two benefits which are paid to workless people. We use estimates of the average weekly HB / CTB payments to people of working age derived from national figures. These are then combined with the borough HB / CTB claim numbers for people of working age derived as explained above to give an estimate of weekly HB and CTB expenditure to people of working age. When added together this gives estimates of the weekly expenditure on working age HB and CTB claims by London borough. Given that rent levels and so HB payments in London are much higher than nationally, our estimates of working age HB expenditure are around 18% lower than the official borough estimates. Hence the final step is to scale our estimates so that they match the borough level figures in Table A5. We now have estimates of weekly HB and CTB expenditure made to people of working age who are workless and those who are employed. At the London level this gives weekly HB expenditure of £36.5 million (roughly £1,898 million for the year) to workless people and £15.0 million (roughly £780 million for the year) to people who are employed. The equivalent estimates of weekly CTB payments are £4.8 million (roughly £250 million for the year) to workless people and £1.4 million (roughly £73 million for the year) to employed people of working age. Annual estimates of expenditure were derived simply by multiplying the weekly figures by 52.

4. PROGRAMME SPENDING AND EFFECTIVENESS

Programme spend

- 4.1 Funding for programmes to tackle worklessness contains a number of different funding streams.
- 4.2 The Department for Work and Pensions now controls and procures employment programmes to which referrals are made by Jobcentre Plus. The spending on these programmes is available nationally, while at local or contract level this is regarded as commercially confidential.
- 4.3 Some information is available in the form of the guidance issued by DWP at the time of tendering on expected costs and job outcome rates, for the main recent programme tenders, the Flexible New Deal and Provider-led Pathways.
- 4.4 The Phase One Flexible New Deal Invitation to Tender document indicated to bidders that the Department expected the average annual budget of FND in the fourteen areas in phase one to be £236.59million.
- 4.5 Based on the indicative budget and the expected on-flows, *Inclusion* calculated the assumed unit cost per claimant on FND of £1,530 to be too low and argued it will be insufficient to deliver the performance expectations that DWP has set if the claimant count continues to rise. *Inclusion* proposed a figure closer to £2,200⁴.
- 4.6 DWP has since confirmed that it expects the unit costs to remain the same. In February 2009, the Department wrote to providers to say it expected an average of £1,529 per start to be maintained, despite the economic downturn.
- 4.7 Table 3 and Chart 3 show the latest estimates from the DWP of the unit costs of its existing programmes, which are based on the 2005-06 financial year. These estimates are from DWP internal analysis of the costs and benefits of employment programmes of which a selection are detailed below:

⁴ <http://www.cesi.org.uk/Resources/CESI/Documents/Working%20Brief/WBrief198-ALL.pdf>

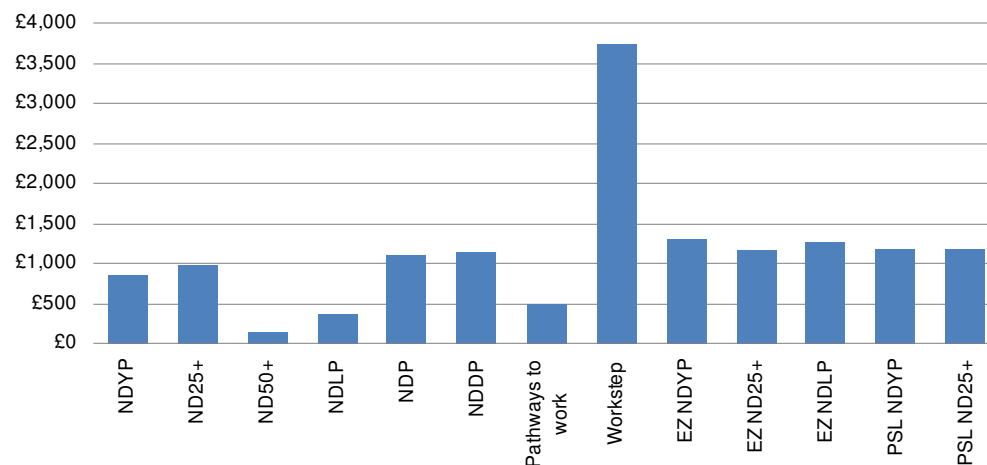
Table 3 Cost effectiveness measures, 2005-06

	Participants	Cost per gross job entry	Cost per participant
Jobseekers			
NDYP	236,200	£2,619	£866
ND25+	127,900	£3,532	£983
ND50+	61,720	£435	£133
Lone Parents and Partners			
NDLP	212,620	£841	£365
NDP	4,230	£2,296	£1,107
Disability Programmes			
NDDP	65,980	£2,372	£1,136
Pathways to work (7 JCP districts)	69,369	£2,434	£492
Workstep	18,569	£4,813	£3,725
Employment Zones			
EZ NDYP	11,570	£4,283	£1,296
EZ ND25+	27,670	£4,688	£1,167
EZ NDLP	10,970	£3,952	£1,265
PSL NDYP	17,931	£3,224	£1,177
PSL ND25+	13,753	£4,625	£1,177

Source: DWP

4.8 The figures show a significant difference between cost per participant and cost per job on different programmes. DWP has previously said that given the profile of customers and the flexibility that will be included in FND the most comparable existing programme would be the Employment Zone. Using the figures DWP provided above we can see that FND providers will have more money to spend per participant than is currently spent on the average Employment Zone (EZ) participant. However the FND programme will be mandatory over 12 months, compared to EZ on which mandatory participation only lasts for six months. An estimate of programme expenditure in London is presented in Table 7.

Chart 3: Cost per participant, 2005-06 (£)



Source: DWP

- 4.9 Previous experience in other projects by *Inclusion* has led us to believe that information on worklessness-related provision by Boroughs that is funded from sources such as Section 106 agreements with developers may not be easily forthcoming. Therefore we spent a limited amount of time to uncover such information as may be reasonably easily available without burdening Borough officers. This relates to what Boroughs provide rather than funding streams and costs per job
- 4.10 **Working Neighbourhoods Fund (WNF)** allocations for 2008-09 are shown in Table 4. WNF is a dedicated fund for local councils and communities to develop more concentrated, concerted, community-led approaches to getting people in the most deprived areas of England back to work.
- 4.11 WNF replaced Communities and Local Government's Neighbourhood Renewal Fund and incorporates the Department for Work and Pension's Deprived Areas Fund to create a single fund. However, there are some boroughs that received Neighbourhood Renewal Fund but did not satisfy the criteria for the WNF therefore they were given an allocation to ease the transition - see Table 4.
- 4.12 The total Working Neighbourhoods Fund (WNF) of £1.5 billion will be allocated with more than £450million in 2008-09, and over £500million in 2009 to 2011. In addition, after the transitional period, DWP will be contributing into the WNF from its Deprived Areas Fund. The WNF will be paid as part of the Area Based Grant which is a non-ringfenced general grant with the hope it provides maximum flexibility to local authorities to design local programmes to meet local needs.

Table 4 Working Neighbourhood Fund (WNF) Revised Allocations, 2008/09

LA Name	Revised Allocation 2008/09 (£)
Barking and Dagenham	1,427,962
Brent	2,402,802
Greenwich	4,551,494
Hackney	12,059,292
Haringey	6,621,917
Islington	6,621,917
Lambeth	3,359,165
Newham	13,246,752
Southwark	7,092,240
Tower Hamlets	10,293,613
Waltham Forest	1,768,656
Transitional Authorities	
Barnet	600,000
Croydon	600,000
Ealing	830,677
Enfield	892,605
Hammersmith and Fulham	600,000
Lewisham	1,177,203
London total	74,377,715

Source: Communities and Local Government

- 4.13 However, the flexibility means that local authorities do not necessarily have to use the fund to tackle worklessness. An article in 'Regeneration and Renewal' magazine indicated that only around 38 per cent of the fund was being spent on projects specifically dealing with worklessness⁵: which equates to £26million rather than nearly £74 million as reported in Table 4.
- 4.14 In 2008 the **Learning and Skills Council (LSC)** announced a shift in its funding and priorities up to 2010 in partnership with the London Skills and Employment Board (LSEB) which will control the adult skills budget in London.
- 4.15 The LSC's ambition is to better integrate job and skills services in London so that people will find it easier to get the skills they need to get back into work or progress up the career ladder.
- 4.16 In 2007 Employability Demonstration Pilots were established in 11 Further Education colleges across London to develop ways of working between skills and employment agencies. In London, the Skills for Jobs programme received an additional £22 million in 2008-9 to provide jobseekers with support to develop the skills they need to gain paid employment. The LSC will spend £11 million on providing Jobcentre Plus clients with basic skills training. In addition to the skills budget, between 2006 and 2009 over £1 billion will have been spent on building or renovating college campuses across the city.
- 4.17 The Employability Skills Programme is a LSC programme delivered in partnership with Jobcentre Plus. It offers Jobcentre Plus customers a programme to enhance their employability skills whilst improving their literacy, language and numeracy skills. There is an emphasis in the programme on job outcomes but also some scope for progression to Skills for Jobs provision.
- 4.18 'Skills for Jobs' is an LSC initiative and an 'umbrella' for a range of different individually tailored actions that directly link skills and employment. The main target group is low skilled adults who are not currently in employment but who want to work and who are close to employment. The programme provides an important 'pre-employment' phase, has an emphasis on job outcomes, and is an important 'pipeline' to Train to Gain.
- 4.19 Funding figures are available for full year spend: Employability Skills Programme was £36.5 million in 2008-09. Skills for Jobs were introduced in January 2008 and have spent £18.4 million from January 2008 to end March 2009, which equates to around £15 million on an annual basis. Two new programmes worth £183 million have recently been introduced to support more people who are newly unemployed and unemployed for six months to train and gain sustainable employment. However on the basis of information available we cannot determine whether this £183 million is an annual figure or represents expenditure spread over a number of years. Data on participation is not yet available.

⁵ Regeneration & Renewal Magazine, 4 May 2009

- 4.20 In summary, LSC is spending at least £62.5 million on programmes for workless people per annum made up of around £15 million on Skills for Jobs, £11 million on basic skills training for JCP clients and £36.5 million on the Employability Skills Programme.
- 4.21 The **London Development Agency (LDA)** published a research report⁶ examining the most effective ways that workless people can gain and remain in employment. This report is likely to provide the evidence for future funding of projects addressing employment and skills issues in London. It contained only a small section on 'The costs of different types of intervention', citing some welfare to work interventions in America showing that most work first initiatives cost around \$1,500 (£800) per participant while training programmes cost around twice as much. The Dutch training programmes reviewed cost an average of between £2,500 to £6,000. The Report mentioned that the costs of British programmes are generally higher than US welfare to work interventions, but reasonably similar to the Dutch figures.
- 4.22 The Report went onto mention similar cost effectiveness figures to those shown in Table 3 above.
- 4.23 With regard to worklessness, the LDA's key initiatives include:
- Establishing the London Employment and Skills Taskforce, whose 2012 Action Plan highlights the opportunities presented by the London Olympic and Paralympics Games to improve the employment chances of Londoners.
 - Working on a co-financing basis with the European Social Fund, focusing on projects designed to 'strengthen London's labour market'.
 - Establishing the London Skills and Employment Board in order to 'provide leadership in improving adult skills and employment in London'.
 - Funding Skills for Life initiatives to help tackle problems among adult Londoners in literacy, numeracy, language, and information and communication technology. There is an emphasis on encouraging the embedding of Skills for Life in NVQ oriented curricula.
 - The launch in May/June 2008 of the Pan-London Job Brokerage under the management of Greater London Enterprise. Its mission is to establish a framework for disseminating intelligence about employment opportunity (initially focusing on the 2012 Olympics), good practice and partnership working; providing a single quality assurance framework; and providing training and support for job brokerage organisations across the capital.
 - Collaboration with the Government's City Strategy Pathfinders initiative, through sub-regional pilots in West London and in the five 'Olympic' boroughs.

⁶ <http://www.lda.gov.uk/server/show/ConWebDoc.1658>.

- Providing the CAP2 (latest phase of their Childcare Affordability Programme) fund to subsidise childcare payments for lone parents seeking learning and work.
- 4.24 The London Employer Accord helps employers source skilled staff and assists Londoners to find jobs through recruitment support and training. The programme promotes the availability of recruitment and training services to people not in work and opens up more opportunities to job-seekers. Funding is in the region of £1 million from the LDA to March 2010 with additional partner match funding. 12 pilots are underway, led by the London Employer Coalition.
- 4.25 The LDA is also investing £11 million to fund 27 community-based projects under the Opportunities Fund. The aim is to reach communities with high levels of worklessness and to assist them with skills development and support into work.
- 4.26 In 2009 the LDA are investing £75 million in employment and skills programmes, this includes £48 million through the Mayor's Economic Recovery Action Plan:
- £24 million is being invested over the next two years in programmes like the the West London Employability Project and East London Works to address structural employment issues, long term worklessness and support businesses
 - £24 million is being invested through the LDA's ESF programme to tackle youth unemployment and its causes through programmes to provide training, apprenticeships and jobs to assist young people to make the most of the opportunities available in London.
 - The LDA expects more than 20,000 people to benefit from these new programmes and of those, 10,000 are expected to take up further training or jobs.
- 4.27 It is not clear exactly how much of the LDA spending on employment and skills of £75 million goes on programmes for workless people as opposed to improving the skills of people in work, but it is clearly equal to at least the £48 million going on the two areas of spending noted in the first two bullets points above (para. 4.26).
- 4.28 The **London Skills and Employment Board (LSEB)** was established in December 2006 as an employer led body with a remit to improve the employment and skill levels required for London's economy now and in the future. In 2007 an agreement between the then Secretary of State and Mayor set the budget for the LSEB at up to 0.06% of the London adult skills budget. Using this formula the budget for 2009/10 could be up to £784,000, however the budget agreed by the LDA and LSC for 2009/10 is £554,000.
- 4.29 London has also received money from the **European Social Fund (ESF)** for programmes to tackle worklessness. According to information provided by

London Councils and the LDA , ESF spend in London was £33.5 million in 2009. However this includes ESF money provided to the LDA which have already been included in LDA expenditure, according to the LDA this amounted to £4.6 million. Hence ESF spend in London net of the LDA allocation was around £28.9 million in 2009, of which we estimate that around £4.4 million was spent via London boroughs.

Programme effectiveness

- 4.30 The Phase One Flexible New Deal Invitation to Tender document indicated that providers will be given targets to help 55 per cent of participants to achieve short job outcomes (13 weeks) and 50 per cent to achieve sustained job outcomes (26 weeks). (DWP has asked potential providers to review their performance offers in light of the economic downturn but will maintain the 55 per cent and 50 per cent targets as their goal)
- 4.31 In terms of LSC programmes – they anticipate that:
- 6,000 workless Londoners will be trained on employability skills programmes
 - 13,000 workless Londoners accessing pre-employment training opportunities and job vacancies through Local Employment Partnerships
- 4.32 The LDA, like other Regional Development Agencies, has been required to report the effectiveness of employment programmes in terms of support delivered, rather than the effectiveness in relation to subsequent job outcomes.
- 4.33 Under the banner of the Olympic legacy the LDA aim is to reduce worklessness in the capital by 70,000 people, including 20,000 people in the five East London host boroughs.
- 4.34 Personal Best is a training and volunteer programme for London residents that uses the London 2012 Olympic and Paralympic Games as a way of encouraging workless and socially-excluded individuals to learn new skills and increase their chances of getting a job. At 2007-08, 375 people had completed the pilot of the Personal Best programme. Of those, 15% had obtained work.
- 4.35 Under the London Employer Accord it is estimated that around 350 jobs will be filled through identified employer and provider partnerships in 2007-2008.
- 4.36 Working in partnership with Jobcentre Plus, Learning and Skills Council and other public sector partners, the Employer Accord offers London's employers a single point of contact for public sector employment and skills services. The aim is to get 5000+ disadvantaged Londoners into work by 2012.
- 4.37 It is anticipated that up to 14,000 Londoners and over 1,000 businesses will benefit as a result of the Opportunities Fund.

- 4.38 To relate the spending on programmes to their effectiveness we collected what evidence there may be on 'cost per job' for programmes in London, together with current evidence on job outcome rates and sustained job outcome rates.
- 4.39 **The Job Outcome Target (JOT)** was introduced in April 2006 as a key tool in monitoring performance across all Jobcentre Plus districts. By combining Her Majesty's Revenue and Customs (HMRC) and Department for Work and Pensions (DWP) records, the system measures the number of customers who leave benefits and move into work, regardless of whether through an advisory intervention, external help or a self-help channel. Customers are awarded JOT points based upon their priority group, with additional points being awarded if they live in a disadvantaged area and/or if they are in receipt of child benefit.
- 4.40 The point system gives some indication of the performance of Jobcentre Plus districts but to better understand what this means in terms of actual numbers of individuals we have estimated job outcomes as a percentage of the total number of those in the customers groups used to evaluate JOT. See Table 5.

Table 5 Job Outcome Target: December 2007 - February 2008

	Job Outcomes	Total customers	% of job outcomes
Central London	795	36,237	2.19%
City and East London	1,211	41,697	2.91%
Lambeth, Southwark and Wandsworth	1,298	39,567	3.28%
North & North East London	2,318	78,687	2.95%
South London	2,612	75,612	3.45%
West London	2,119	58,535	3.62%
London Total	10,353	330,335	3.13%
National	94,444	2,478,423	3.81%

Source: DWP, Jobcentre Plus

- 4.41 The number of total customers were estimated at the borough level from claimant count, benefit and New Deal numbers and aggregated to the Job Centre Districts above. There is a difference of 0.68 percentage points between job outcome rates in London compared to the national. If the national job outcome rate was applied to London the number of Job Outcomes would rise to 12,586 – over 2,000 more jobs. Appendix 5 (Table A9) shows additional detail for individual groups like lone parents and Appendix 5 (Table A10) shows the effectiveness of national initiatives in the six chosen London boroughs used in the second phase of this project – see Chapter 8.
- 4.42 Both the point system employed by DWP and percentage of total customer measures show that in terms of job outcomes London as a whole and individual London districts perform below the national average. This is especially true for Inner London and East London.
- 4.43 These figures are presented for a relatively recent period, but not completely up to date. This is because Jobcentre Plus reports these figures with a minimum eight-month delay, and has, for the 2008-09 financial year and later, dropped

publicly reporting at Jobcentre Plus District level. Figures for the 2009-10 Financial Year had (at December 2009) only been published at national level for the month of April 2009, with no regional or District level figures.

- 4.44 Some more recent figures for particular programmes are, however, available, though not necessarily on a consistent basis with the Job Outcome Target figures.
- 4.45 In London, provision by DWP for Employment and Support Allowance and Incapacity Benefit claimants comes from Provider-led Pathways to work, contracted to private and voluntary sector providers with an outcome-based funding regime. Performance has become increasingly of concern to DWP and to some of the providers. This is especially the case for London.
- 4.46 Statistics released in November 2009 allow the comparison of London performance with those of similar contracts elsewhere in Great Britain. However, this excludes the one-third of equivalent claimants whose service is provided by Jobcentre Plus-led Pathways. These are predominantly though not exclusively older industrial areas (though Essex is in this category).
- 4.47 For Provider-led Pathways, London providers had, up to January 2009, secured 2,530 job entries, or 7.1% of the starts to October 2008. The interval is chosen to allow three months programme engagement. For other Provider-led Pathways, the similar job entry percentage was 12.7%. The London job entry rate was therefore only 56% of the rate for the remainder of Great Britain.
- 4.48 These percentages are higher than the overall rates discussed above because only new Incapacity Benefit or Employment and Support Allowance claimants were referred to these providers. Existing Incapacity Benefit claimants were not eligible for referral, though they can volunteer and the figures include volunteers who may be more motivated to look for work.
- 4.49 Where providers are dependent on securing job outcomes for their funding, these low levels of job outcome, and particularly so in London, obviously threaten if not the survival of the providers, at least the quality of the service provided. Therefore DWP is reviewing the performance of Pathways to Work provision.

Summary Tables

- 4.50 We have derived estimates of the total number of participants on various Government programmes in London. These are based on combining national figures with the percentage of starters or participants who are in London. These estimates are shown in Table 6 below. These figures are combined with the cost per participant figures from Table 3 above to give an initial estimate of programme costs in London in 2005-06. However these estimates do not take account of the higher costs of programme delivery. Inclusion estimate that these costs are around 16% higher in London compared to the UK as a whole.

In addition, we take account of inflation since 2005-06 to give an estimate for 2009-10. These estimates are shown in the last column of Table 6 and Chart 4. We estimate that programme costs in 2009-10 amount to around £133 million. If we add in the estimated £28 million spent on tackling worklessness under WNF to give an overall estimate of programme spend in London of £160 million.

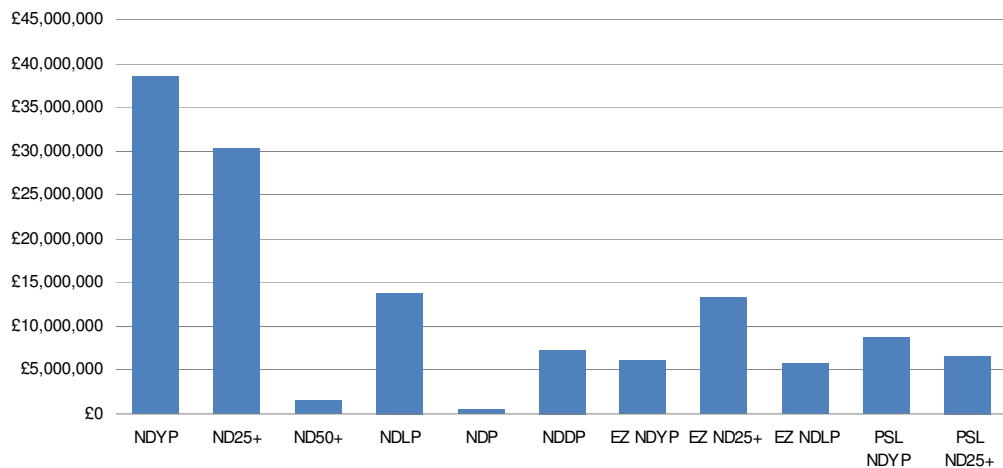
4.51 The tables below summarise the level of employment programme expenditure in London:

Table 6: Programme Expenditure

	Estimated participants in London in 2005-06	Initial estimate of spend in 2005-06	Adjusted estimate for London costs and inflation to 2009-10
Jobseekers			
NDYP	35,125	£30,418,250	£38,535,923
ND25+	24,320	£23,906,560	£30,286,468
ND50+	9,038	£1,202,054	£1,522,844
Lone Parents and Partners			
NDLP	29,807	£10,879,555	£13,782,966
NDP	360	£398,520	£504,872
Disability Programmes			
NDDP	5,127	£5,824,272	£7,378,587
Employment Zones			
EZ NDYP	3,773	£4,889,808	£6,194,744
EZ ND25+	9,024	£10,531,008	£13,341,402
EZ NDLP	3,578	£4,526,170	£5,734,062
PSL NDYP	5,848	£6,883,096	£8,719,978
PSL ND25+	4,485	£5,278,845	£6,687,603
Total expenditure		£104,738,138	£132,689,449

Source: DWP, CESI and RTP estimates

Chart 4: Programme Expenditure: adjusted estimate for London costs and inflation to 2009-10



Source: DWP, CESI and RTP estimates

4.52 Table 7 below summarises our estimates of total expenditure on programmes designed to tackle worklessness in London, covering spending by DWP / JCP, WNF, ESF, LSC and LDA. We estimate that in 2009-10 expenditure will be around £300 million.

Table 7: Estimated programme expenditure in London, 2009-10

Programme Category	Cost (£m)
DWP / JCP programmes (from table 6)	132.7
LSC	62.5
LDA	48.0
ESF	28.9
WNF	28.0
Total programme expenditure	300.1

Source: DWP, CESI and RTP estimates

5. MODELLING GOVERNMENT SAVINGS FOR WORKLESS MOVING INTO WORK IN LONDON

- 5.1 The modelling required for this exercise was conducted in two initial stages.
- 5.2 In the first stage we identified the difference in direct Government spending on households in London for in-work and out-of-work situations, subject to a range of assumptions. We have run multiple cases through a regularly updated, adviser-standard benefits calculator (Ferret). This produces the Social Security Benefit, Tax Credit, Income Tax and National Insurance payments and receipts in the in-work and out-of-work situations. These costs and benefits are attributed to different household types. Appendix 2 shows detailed results from the modelling for each household type. Table 8 and Charts 5 to 8 show a summary.
- 5.3 The methods we used using Ferret software are similar to those undertaken by welfare rights advisers in calculating whether or not (and by how much) a claimant would be better off in work¹⁰.
- 5.4 The factors we did not include in the modelling that we did in the earlier exercise were the impacts on claimants of work-related costs such as extra transport costs and extra laundry on moving into work, nor did we include, though it is relevant to claimants and their advisers, the impact of increased debt repayments on moving into work. These factors lead to a position where Government as a whole may make savings on a claimant moving into work, but they themselves may have no improvement in disposable income once these additional costs are taken into account.
- 5.5 People who move into work and still receive in-work Housing Benefit, Council Tax Benefit and/or Working Tax Credit and Child Tax Credit are subject to means tests on additional income. This means that they may have an 'effective tax rate' of 70% or more. This is sometimes referred to as the 'marginal deduction rate'. The effect of this high effective tax rate is that small changes in costs and earnings make large differences in both the extent of benefit savings and in net disposable incomes. We have assumed earnings at the National Minimum Wage. If earnings were at the London Living Wage, then benefit savings would be substantially greater, though net disposable incomes might not be very substantially higher, due to the withdrawal rates for means-tested benefits.
- 5.6 We have identified the benefit savings by the benefit administering body. Therefore Housing and Council Tax Benefit savings are listed as Local

¹⁰ The results are, in principle, similar (though updated using up to date benefit rates etc.) to ones *Inclusion* calculated for London Councils and London partners in 2003, published as 'Making Work Pay in London' by the LDA.

Authority. These are administered by Boroughs for DWP. Savings are AME savings and so do not accrue to Boroughs, but part of the reason for undertaking this research has been to identify the scale of local authority administered benefits and possible savings. This would provide an argument for benefit savings to, in future, accrue to Boroughs where Borough-led provision had improved results.

5.7 We have made a number of constraints and assumptions for the modelling:

- The age of every adult is 35 (age does not impact on the calculations but is needed for the Ferret calculations).
- The first set of households, both for both lone parents and couples have two children one aged 12 and the other 15. The second set of households have children aged 5 and 8.
- Rent is set at £206.90 per week (London average – see Appendix 1, Table A8).
- Local housing allowance is £185.00 per week (This is HB and CTB payment).
- Minimum wage is paid (£5.73 per hour) which adds up to £91.68 per week for a 16 hour week and £200.55 for working 35 hours per week. (This is a conservative figure, lower than the London living wage which isn't universally applied in London).
- In the family scenario if one of the partners already has a job then they are paid £4,800 (part-time) or £10,500 (full-time) as income for their last tax year¹¹.
- Council tax was £22.97 per week (this is the average for London boroughs¹². The London Living Wage is calculated using a slightly higher average of £25.27 based on a Band D average in London).
- Disability is defined as difficulty with walking and owning an invalid car which means a higher level of mobility allowance but zero carer allowance as the disabled can leave the house without anyone's help.
- Child benefit is automatically calculated by Ferret based on the criteria above.

¹¹ Based on the national minimum wage.

¹² Communities and Local Government

Table 8 The benefit to national and local government to moving workless into part-time or full-time work in London, by household type

		Lone parent with two children			
		Working 16h pw		Working 35h pw	
			£		£
Jobseeker	HMRC	-72.05		HMRC	-87
	DWP	64.3		DWP	64.3
	LA	49.22		LA	124.73
	Government (total)	41.47		Government (total)	102.03
Claimant in receipt of Income Support	HMRC	-72.05		HMRC	-87
	DWP	64.3		DWP	64.3
	LA	49.22		LA	124.73
	Government (total)	41.47		Government (total)	102.03
Claimant in receipt of Incapacity Benefit	HMRC	-120.85		HMRC	-135.8
	DWP	90.44		DWP	90.44
	LA	34.28		LA	98.41
	Government (total)	3.87		Government (total)	53.05

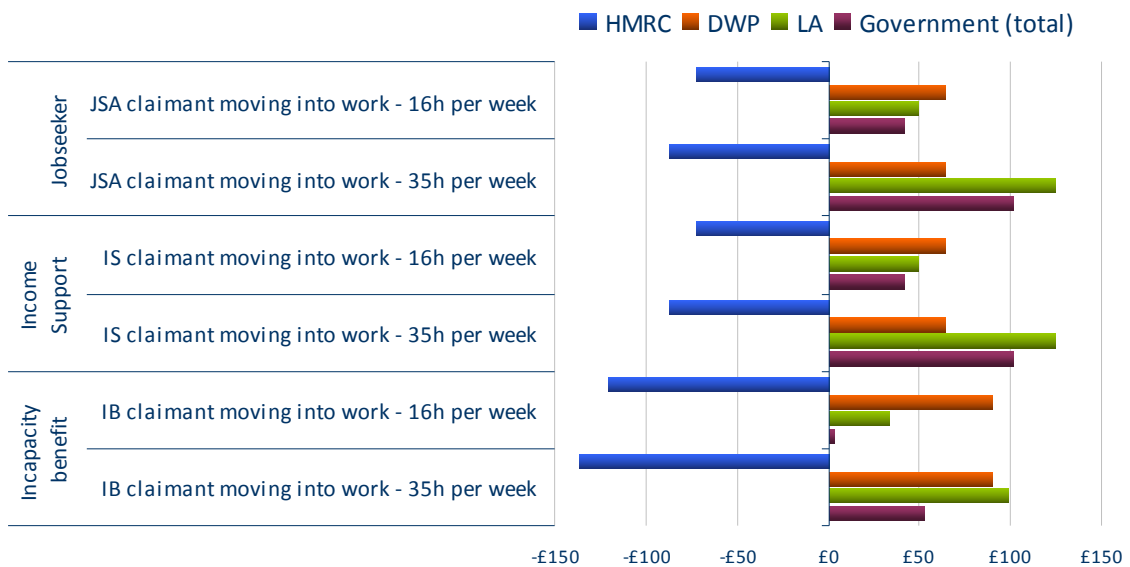
		Single person			
		Working 16h pw		Working 35h pw	
			£		£
Jobseeker	HMRC	0		HMRC	-51.3
	DWP	64.3		DWP	64.3
	LA	14.54		LA	91.34
	Government (total)	78.84		Government (total)	104.34
Claimant in receipt of Income Support	HMRC	0		HMRC	-51.3
	DWP	64.3		DWP	64.3
	LA	14.54		LA	91.34
	Government (total)	78.84		Government (total)	104.34
Claimant in receipt of Incapacity Benefit	HMRC	-85.06		HMRC	-100.01
	DWP	89.8		DWP	89.8
	LA	31.25		LA	95.38
	Government (total)	35.99		Government (total)	85.17

Family with two children aged 12 and 15					
		Working 16h pw	£	Working 35h pw	£
One Jobseeker one inactive	HMRC		-72.14	HMRC	-87.09
	DWP		100.95	DWP	100.95
	LA		23.56	LA	87.69
	Government (total)		52.37	Government (total)	101.55
One Jobseeker one working part- time for the last year	HMRC		-14.95	HMRC	-14.95
	DWP		0	DWP	0
	LA		69.31	LA	123.72
	Government (total)		54.36	Government (total)	108.77
One Jobseeker one working full- time for the last year	HMRC		0	HMRC	30.59
	DWP		0	DWP	0
	LA		59.59	LA	94.11
	Government (total)		59.59	Government (total)	124.7

Family with two children aged 5 and 8					
		Working 16h pw	£	Working 35h pw	£
One Jobseeker one inactive	HMRC		-72.14	HMRC	-87.09
	DWP		100.95	DWP	100.95
	LA		23.56	LA	87.69
	Government (total)		52.37	Government (total)	101.55
One Jobseeker one working part- time for the last year	HMRC		-102.35	HMRC	-102.35
	DWP		0	DWP	0
	LA		55.11	LA	109.52
	Government (total)		-47.24	Government (total)	7.17
One Jobseeker one working full- time for the last year	HMRC		-87.4	HMRC	-87.4
	DWP		0	DWP	0
	LA		45.39	LA	99.8
	Government (total)		-42.01	Government (total)	12.4

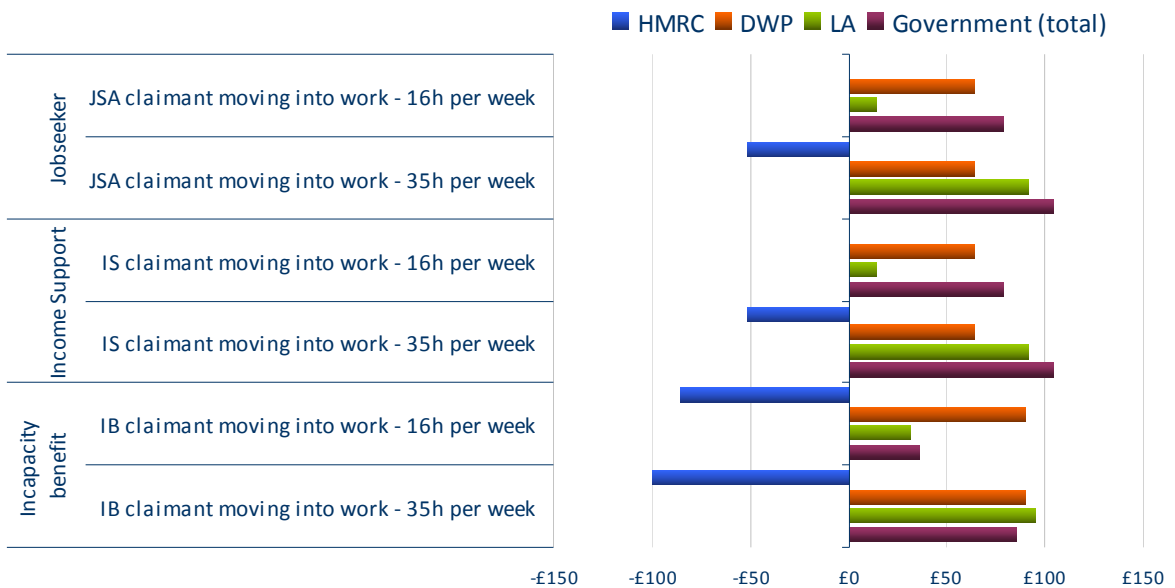
Source: Centre for Economic and Social Inclusion and Ferret software

Chart 5: Benefit of moving workless into part-time or full-time work in London (lone parents)



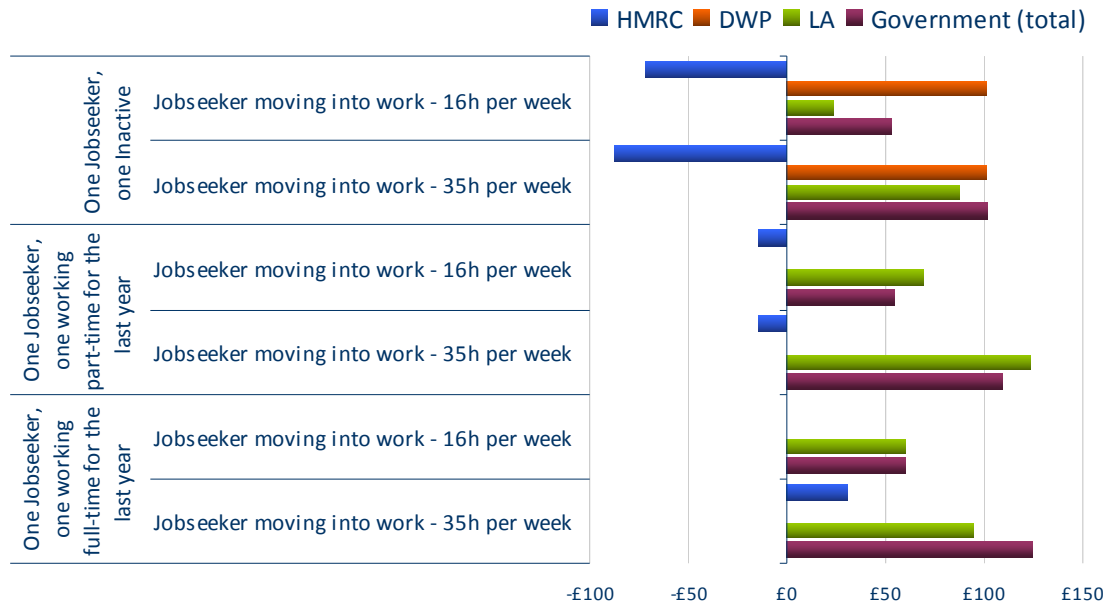
Source: Centre for Economic and Social Inclusion and Ferret software

Chart 6: Benefit of moving workless into part-time or full-time work in London (single person)



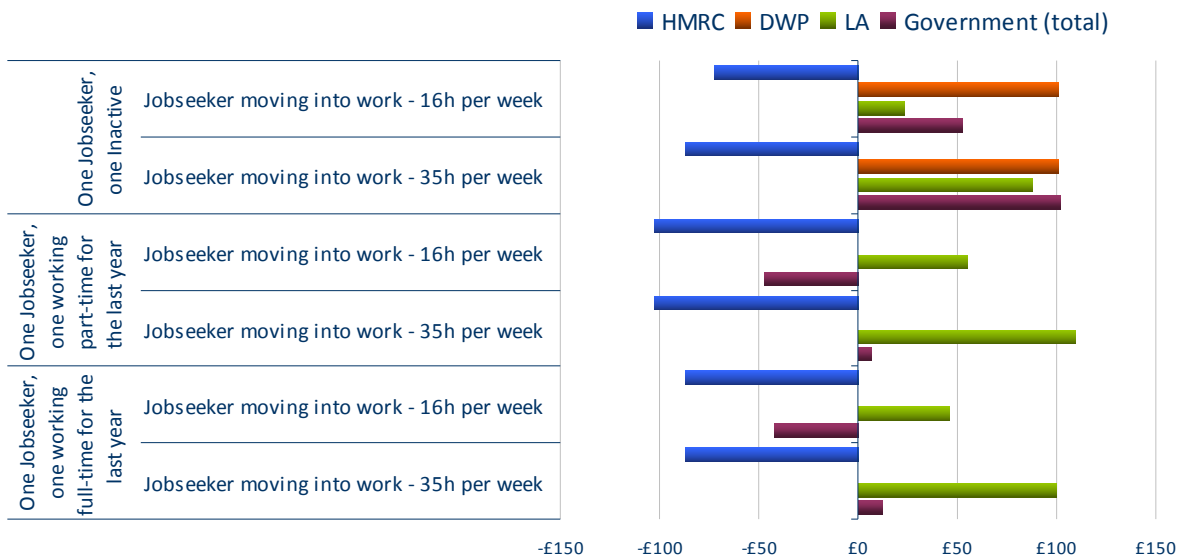
Source: Centre for Economic and Social Inclusion and Ferret software

Chart 7: Benefit of moving workless into part-time or full-time work in London (family with two children aged 12 & 15)



Source: Centre for Economic and Social Inclusion and Ferret software

Chart 8: Benefit of moving workless into part-time or full-time work in London (family with two children aged 5 & 8)



Source: Centre for Economic and Social Inclusion and Ferret software

- 5.8 As can be seen the benefit to the HMRC is usually a negative one as those moving into work can start claiming Working Tax Credits but the overall benefits to government are positive due to saving in benefit payouts.
- 5.9 The extent of savings to the whole of Government across most of the groups links to the evidence that for people in most circumstances, not only the Government but themselves would be better off in work. The more nuanced picture for a couple with young children, with one adult already in work, and therefore needing to use childcare subsidised by the Childcare element of the Working Tax Credit, points up a number of issues.
- 5.10 Firstly, DWP, and hence Jobcentre Plus, is wholly absent from the relevant sections. If one member of a couple is in work either full-time or part-time working 16 hours or more, they are not engaged with DWP or Jobcentre Plus but are with Housing and Council Tax Benefit administrations and with HMRC via Child and Working Tax Credit. Jobcentre Plus initiatives are thus likely to be ineffective at engaging this group of people who are in poverty due to low, but earned, income.
- 5.11 Secondly, on a whole of Government basis savings are only achieved if moves into work are full-time, but there are large savings in local authority administered benefits for both full-time and part-time jobs. In view of the child poverty agenda suggesting that encouraging work among non-working members of couples could make substantial inroads into the high levels of child poverty in London, the fact that Boroughs could realise substantial benefit savings by tackling this form of worklessness may be significant.

6. INDIRECT BENEFITS OF TACKLING WORKLESSNESS

- 6.1 Identification of the indirect benefits to moving workless people into work in London Boroughs is one of the most challenging parts of researching the cost of worklessness.
- 6.2 The indirect costs of worklessness are based on a large number of correlations of worklessness with other indices of disadvantage or deprivation. These include poorer health, higher crime levels, low educational achievement for the next generation, and lower levels of liveability in areas with high worklessness.
- 6.3 The research problem is identifying the direction of causation (e.g. are people out of work because they have poor health, or are they unhealthy because they are out of work) and the time-lags between the cause and the effect. The US research on the impacts of the Headstart neighbourhood child care programmes¹³ has reported increasing effects when measured on a time-scale of a decade or more. The early evaluations showed much lower levels of cost-effectiveness. It is likely that if one could demonstrate that the action of moving workless people into work, controlling for all other interventions to tackle disadvantage, would produce a lasting effect on health status, the savings to the public purse would accumulate over the lifespan of the individuals. In this context, developing a case that would satisfy HM Treasury advice on the appraisal of public interventions will prove difficult.
- 6.4 We have reviewed a range of literature on the indirect benefits of tackling worklessness. Much of this has been published by pressure groups seeking to advance the case for further investment in their areas of interest. Unfortunately, the higher quality work, such as that commissioned by the Princes' Trust from the Centre for Economic Performance at the LSE¹⁴, has a large number of caveats around the estimates, and much of the remainder is of insufficient quality to meet Treasury guidance on appraisal for public spending.
- 6.5 The net result is if a case can be made for the cost-effectiveness of Boroughs taking the lead in tackling worklessness on the grounds of proven higher cost-effectiveness in programme delivery and thus prospective benefit savings, then the indirect benefits are an additional item. It is unlikely that national policy-makers will use highly speculative estimates of the indirect benefits of tackling worklessness as the deciding factor.

¹³ <http://www.rand.org/labor/DRU/DRU2439.pdf>

¹⁴ Available from <http://www.princes-trust.org.uk/PDF/Princes%20Trust%20Research%20Cost%20of%20Exclusion%20apr07.pdf>

- 6.6 Worklessness can have wider effects beyond the labour market on factors such as health and crime.

Worklessness and Crime

- 6.7 A substantial body of evidence suggests that education and labour market opportunities influence criminal activity. We would expect that someone with poor education and restricted legal labour market opportunities is more likely to become engaged in criminal activity. This may be because, for acquisitive or property crimes, the potential financial gains after allowing for the risks inherent in criminal activity –risks of arrest, conviction and incarceration, and for some crimes the risk of violence from other criminals – outweigh the expected financial gains from low paid legal work or because individuals cannot currently obtain any form of employment.
- 6.8 Young people, and more particularly low skilled young men, are much more likely to commit crimes than other groups in the population. A report for the Prince's Trust¹⁵ has estimated that the costs of crime committed by young people aged 10-21 in 2004 in London was £128 million, and for the UK as a whole just over £1 billion. Hence most of the studies of the links between labour market outcomes and crime have focused on low skilled young people. Indeed one US study¹⁶ looked at both men with and without a college education and found that wages and unemployment had significant effects on the extent of crime undertaken by those without college education but that for the more highly educated group economic factors did not affect the extent of their criminal activity.
- 6.9 A number of studies from both the UK and the USA have suggested that unemployment or joblessness affect levels of criminal activity. In the UK, the Social Exclusion Unit reported that two thirds of young offenders were unemployed at the time of their arrest compared to just under a half of those aged over 25¹⁷. Chiricos (1987)¹⁸ reviewing 63 studies reported a positive relationship between unemployment and property crime. Similarly, both Cantor and Land (1985)¹⁹ for the USA and Reilly and Witt (1996)²⁰ for the UK reported a positive relationship between unemployment and crime.

¹⁵ Centre for Economic Performance, London School of Economics, (2007), 'The Cost of Exclusion: Counting the cost of youth disadvantage in the UK', a report for the Prince's Trust.

¹⁶ E.D. Gould, B.A. Weinberg and D.B. Mustard (2002), 'Crime Rates and Local Labor Market Opportunities in the United States: 1979-1997', The Review of Economics and Statistics, Volume 84, No 1.

¹⁷ Social Exclusion Unit (2005), 'Transitions: Young Adults with Complex Needs'.

¹⁸ T. Chiricos (1987), 'Rates of Crime and Unemployment: An Analysis of Aggregate Research Evidence', Social Problems.

¹⁹ D. Cantor and K.C. Land (1985), 'Unemployment and Crime Rates in the Post-World War II United States: A Theoretical and Empirical Analysis', American Sociological Review.

²⁰ B. Reilly and R. Witt (1996), 'Crime, Deterrence and Unemployment in England and Wales: An Empirical Analysis, Bulletin of Economic Research.

- 6.10 Freeman (1996)²¹ notes that a number of US studies have found that joblessness is associated with greater crime and areas with high unemployment tend to have high crime rates although the response is not that large. In line with this, Levitt (2004)²² surveying a number of earlier studies reported that almost all of them had suggested a statistically significant but substantively small relationship between unemployment rates and property crime. A typical estimate was that a one percentage point increase in the unemployment rate was associated with a one percent increase in property crime. A more recent US study suggests rather larger effects. Depending on the precise specification used, Gould, Weinberg and Mustard (2002)²³ suggest that a one percentage point increase in the unemployment rate leads to an increase in property crimes of typically between two and three percent.
- 6.11 However unemployment or worklessness is not the only labour market factor which affects crime, the wages on offer to low skilled young men are also important. Machin and Meghir (2004) found that between the mid-1970s and mid-1990s, there were larger increases in crime in areas of the UK where low wages deteriorated most strongly after controlling for the influence of other factors²⁴. This finding is supported by evidence from the USA. Grogger (1998) looks at the relationship between wages and youth crime. He concludes that young men respond to wage incentives and that a fall in the wages on offer to low skilled young men was an important contributor to the increase in youth crime in the USA during the 1970s and 1980s. Gould et al (2002)²⁵ also find significant impacts of wages on property crime activity amongst young, unskilled men. This finding is robust across three different approaches used to investigate this linkage; annual changes in property crime across US counties, ten year changes (1979-89) within US metropolitan areas and using individual level data.
- 6.12 The relationship between poor (legal) labour market outcomes and criminal activity also feedback on another creating longer run or vicious circle effects. Fagan and Freeman (1999)²⁶ note that a criminal conviction record adversely affects future employment prospects and earnings. Thus the effects of youth criminal activity can compound over time, making entry into legal work more difficult and limited to low wage jobs which in turn increases the probability of a

²¹ R.B. Freeman (1996), 'Why Do So Many Young American Men Commit Crimes and What Might We Do About It?', Journal of Economic Perspectives – Volume 10, No. 1.

²² Levitt, S.D., (2004), "Understanding Why Crime Fell in the 1990s: Four Factors that Explain the

Decline and Six that Do Not," Journal of Economic Perspectives

²³ E. D. Gould et al (2002), op cit.

²⁴ S. Machin and C. Meghir (2004), 'Crime and Economic Incentives', Journal of Human Resources.

²⁵ E.D. Gould et al (2002), op cit

²⁶ J. Fagan and R.B. Freeman (1999), 'Crime and Work', Crime and Justice, Volume 25.

return to criminal activity in later life. Ploeg (1991)²⁷ reached similar conclusions from a study of long term unemployed Dutch men aged 20 to 50 years. Unemployed men who avoided crime prior to becoming unemployed were unlikely to engage in crime but those who had engaged in criminal activity more frequently returned to such activity. Grogger (1998) finds that past criminal activity, measured by either past arrests or convictions, or by past periods on probation, raises current criminal activity. Hence this evidence suggests that an increase in worklessness may not simply lead to a contemporaneous increase in crime but also to longer lasting increases in criminal activity.

- 6.13 The evidence we have suggests that property crime is affected both by worklessness and by the wages on offer in legal low skilled activities. Hence policies to reduce worklessness can be expected to also reduce crime. However the relationship between the wages on offer in low skilled jobs and crime mean that such policies should be supplemented with policies that improve individual's wage prospects. Skill improvements through education or training that are effective at enhancing individuals' productivity and so wages are likely to be important ingredients in reducing crime. Indeed the offer of improved education opportunities can reduce crime. The Education Maintenance Allowance pays low income pupils to stay in school, and in the areas where the allowance was first introduced, juvenile property crime rates fell by more than in areas where it was not²⁸. Direct measures to improve wages may also be important. The introduction of the national minimum wage in 1999 also appears to have reduced crime by improving the relative pay of the worst off workers in legal activities²⁹.

Worklessness and Health

- 6.14 Worklessness contributes to poor health outcomes, and the opposite is also generally found to be true; working is good for health outcomes. In this section we summarise some of the main findings from studies of work/worklessness and well-being.
- 6.15 Poor health is expensive; there are direct costs borne by the NHS³⁰ and second level costs, one should consider externalities. Poor health is infectious, it

²⁷ G. Ploeg (1991), 'Maatschappelijke Positie en Criminaliteit', quoted in Fagan and Freeman, *ibid*.

²⁸ L. Feinstein and R. Sabates (2005), 'Education and Youth Crime: Effects of Introducing the Education Maintenance Allowance Programme', The Wider Benefits of Learning Research Report 14.

²⁹ K. Hansen and S. Machin (2002), 'Spatial Crime Patterns and the Introduction of the UK Minimum Wage', Oxford Bulletin of Economics and Statistics

³⁰ NHS Online <http://www.nhs.uk/>. People with poor health require greater more care. The total costs of poor health to the NHS are not known, but are believed to be very high. For example, 10% of NHS spending is directed towards treating one disease, type 2 diabetes (approximately £1 million per hour). Poor health is a significant contributor to the risk of disease: Type 2 diabetes first line treatment includes diet, weight control and physical activity, improving overall health would reduce the prevalence of the disease.

impacts those exposed to others with many types of poor health³¹. Improving health outcomes is a priority for many. The NHS is spending £372 million to implement the healthy weight, healthy lives awareness campaign³². If there is indeed a strong link between worklessness and health, spending on health might be reduced through spending on policies that reduce worklessness.

- 6.16 There is growing evidence that long-term worklessness is harmful to physical and mental health. Physical and mental health are re-enforcing, poor mental health has been found to contribute to poor physical health and vice versa³³.
- 6.17 The precise causation or mechanism from worklessness to poor health remains uncertain³⁴. The problems with establishing a causal link between worklessness and health include associations, selection challenges, and the definition of work. The impact of working on health needs to be considered in the light of other associated factors such as poverty, education and income. Complications of selection challenge many studies of impact; for example, poor mental health might lead to poor employment prospects. Additionally, it is unclear, if it is work itself or its associated positive psychological impacts that effect health. For our purposes, we consider that if worklessness contributes to poor health outcomes through any mechanism, then there are costs which are borne by those without work and the wider society to consider.
- 6.18 The evidence base linking work to health was recently studied in a large report for the Department of Works and Pensions 'Is Work Good for Your Health'.³⁵ The report approached the question from various directions and incorporated a range of scientific evidence, from a variety of disciplines, methodologies, and literatures. The report includes an extensive bibliography and approximately 150 tables of summarised evidence, it concluded:
- 6.19 "There is a strong evidence base showing that work is generally good for physical and mental health and well-being. Worklessness is associated with poorer physical and mental health and well-being. Work can be therapeutic and can reverse the adverse health effects of unemployment. That is true for healthy people of working age, for many disabled people, for most people with common health problems and for social security beneficiaries. The provisos are that account must be taken of the nature and quality of work and its social

³¹ See Willard G. Manning, Emmett B. Keeler, Joseph P. Newhouse, Elizabeth M. Sloss and Jeffrey Wasserman 1991 'The costs of Poor Health Habits for an example of monetised externalities of health costs.

³² BBC News January 2008 'Healthy Living Strategy Launched'
<http://news.bbc.co.uk/1/hi/health/7204257.stm>

³³ There is a large body of scientific study on this subject, some questioning the dichotomy between physical and mental health; see for example: Gregory E. Simon, Dennis A. Revicki, Louis Grothaus and Michael Vonkorff 1998 "Are Physical and Mental Health Truly Distinct?" Medical Care, Vol. 36, No. 4 (Apr., 1998), pp. 567-572.

³⁴ Health Development Agency 2005 "Worklessness and health – what do we know about the causal relationship"

³⁵ Waddell, Burton, 2006 'Is Work Good For Your Health And Well-Being?' A Report for DWP.

context; jobs should be safe and accommodating. Overall, the beneficial effects of work outweigh the risks of work, and are greater than the harmful effects of long-term unemployment or prolonged sickness absence. Work is generally good for health and well-being.”³⁶

6.20 Specific findings were summarised by the authors for presentation³⁷ and are part reproduced here:

- Work meets important psychosocial needs in societies where employment is the norm;
- Work is central to individual identity, social roles and social status;
- Employment and socio-economic status are the main drivers... in physical and mental health and mortality.
- Various physical and psychosocial aspects of work can also be hazards and pose a risk to health.
- Unemployment can cause, contribute to or aggravate most of the adverse health outcomes.
- There is strong evidence that re-employment leads to improved self-esteem, improved general and mental health, and reduced psychological distress and minor psychiatric morbidity. The magnitude of this improvement is more or less comparable to the adverse effects of job loss.
- Work for sick and disabled people: There is a broad consensus across multiple disciplines... sick and disabled people should be encouraged and supported to remain in or to (re)-enter work as soon as possible because it:
 - is therapeutic;
 - helps to promote recovery and rehabilitation;
 - leads to better health outcomes;
 - minimises the harmful physical, mental and social effects of long-term sickness absence;
 - reduces the risk of long-term incapacity;
 - promotes full participation in society, independence and human rights;
 - reduces poverty;
 - improves quality of life and well-being.
- Health after moving off social security benefits: Claimants who move off benefits and (re)-enter work generally experience improvements in income, socio-economic status, mental and general health, and well-being. Those who move off benefits but do not enter work are more likely to report deterioration in health and well-being.

6.21 The findings are regarded as scientifically robust, but are not exhaustive. The above study findings do not include the role of externalities; the negative impacts experienced by others of individual diminished health outcomes

³⁶ Waddell, Burton, 2006 'Is Work Good For Your Health And Well-Being?' A Report for DWP.

³⁷ Professor Gordon Waddell and Professor Kim Burton, November 2, 2007, 'Working Together for a Healthier Scotland – Hampden Park conference' Presentation Summary.

including spread of infections and reduced social environments³⁸. One should also consider wider future costs in particular, family impacts.

- 6.22 Evidence exists that worklessness may contribute to poor health outcomes for children in families impacted by worklessness. “Social status (including unemployment, perceived and observed social status) [lead to] susceptibility to respiratory infections in human adults and children”³⁹
- 6.23 A large body of indirect evidence indicates indirect but important links between worklessness-health and deterioration of the home environment. “All studies of the impact of unemployment on family relationships show an increase in friction, stress and tension, particularly between spouses, and to a lesser extent between parents and children”⁴⁰. A poor family environment impacts child learning. “Parenting has been found to be the single largest variable implicated in health outcomes for children notably accident rates, teenage pregnancy, substance misuse, truancy, school exclusion and under-achievement, child abuse, employability, juvenile crime and mental illness.”⁴¹
- 6.24 We may conclude that based on the existing body of evidence indicating a link between work and health outcomes, that policies which effectively reduce worklessness will also improve health outcomes for those taking up employment, and potentially, where relevant to their children and other members of the household.
- 6.25 DWP’s guidance on cost benefit analysis⁴² advises against placing monetary values on any of these wider non-market effects in part because their magnitude is so uncertain.

³⁸ ‘Reduced social environments’ refers to the negative experiences towards otherwise healthy people caused through direct or indirect exposure to those who are unwell.

³⁹ Cohen S. (1999), Social status and susceptibility to respiratory infections. *Annals New York Academy of Sciences* 896: 246-253.

⁴⁰ Hakim C. (1982), The social consequences of high unemployment. *Journal of Social Policy* 11: 433-467.

⁴¹ Houghugh M (1998), The importance of parenting in child health *British Medical Journal* 316, 1545

⁴² D. Greenberg and G. Knight, (2007), ‘Review of the DWP Cost Benefit Framework and how it has been applied’, DWP Working Paper No 40

7. CONCLUSION: BRINGING THE COSTS TOGETHER: AN ESTIMATE OF THE COST OF WORKLESSNESS IN LONDON

- 7.1 In previous pages we have gathered the costs of various benefits paid to workless people and the programme costs of programmes which aim to help workless people move into work.
- 7.2 We can now combine the benefit expenditure figures for JSA, IB, SDA and IS from Table A3 together with our estimates of the part of spending on HB and CTB which goes to workless individuals with our estimates of programme spend from Table 7 to give an overall figure for the cost of worklessness in London. The figures for benefit expenditure are on a weekly basis and so need to be multiplied by 52 to give an annual figure. This overall cost for 2009-10 is summarised in Table 9 and Chart 9. Note: there will some small saving regarding free school meals but these have not been included in the estimations.

Table 9: Estimated Cost of Worklessness in London, 2009-10

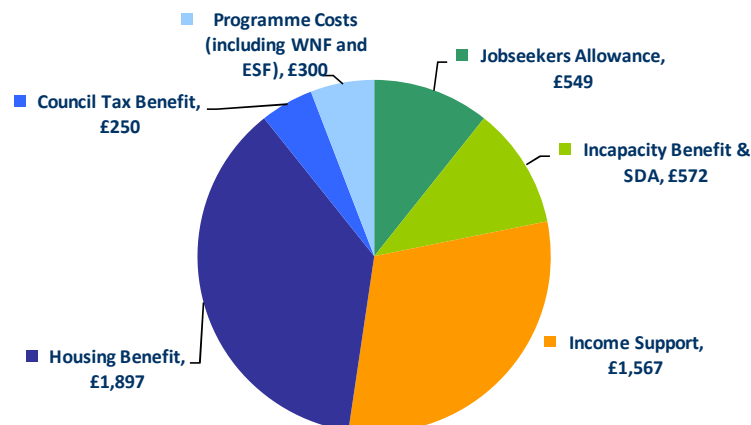
Category	Cost (£m)
Jobseekers Allowance	548.7
Incapacity Benefit & SDA	572.0
Income Support	1,566.5
Housing Benefit	1,897.4
Council Tax Benefit	250.2
Total Benefits	4,834.8
Programme Costs (including WNF and ESF)	300.1
Total expenditure	5,134.9

Source: DWP, CESI and RTP estimates

- 7.3 We estimate that the current total cost of worklessness in London is at least £5.1 billion, and could be higher.

Chart 9: Cost of Worklessness in London (£ million), 2009-10

Source: DWP, Inclusion and RTP estimates



8. THE VIEWS OF THE BOROUGHES

- 8.1 Stage 2 of the project was based on discussions with a small but representative selection of Boroughs to help estimate the effectiveness in securing sustained jobs from a sub-regional approach, and hence the additional savings. The Boroughs were chosen to reflect the range of distribution around the average worklessness figure for London. Therefore we included two Boroughs closer to the extremes of worklessness in London, on either side of the mean, as well as others that are closer to the mean. We also tried to include a mix of outer and inner London boroughs, including one that was an Olympic borough.
- 8.2 The aim was to obtain some idea of the improvement in effectiveness that could be obtained if London Boroughs had control of the overall funding to tackle worklessness in their areas. This could be in relation to a sub-region of Boroughs that are working together on such issues, or in relation to their own Borough. The first task was to collect as much information as possible on programme activity within each London borough – the results of this are shown in Appendix 3. The information was collected through web research, in particular those documents posted on borough websites such as meeting minutes. Therefore, the Appendix table is not comprehensive but gives an idea of the type of projects that boroughs run and commission.
- 8.3 On top of this, the selected Boroughs were asked to estimate from their knowledge the additional benefit that pooling funding could bring in job outcomes in their area. The boroughs were given the figures on benefit payments and programme spend along with a request to expand on initial information supplied for Appendix 3 regarding programmes already in place within their borough (see Appendix 4).
- 8.4 The key points coming out of these discussions were:
- **The composition of worklessness varies in different boroughs.**
- 8.5 One of the main reasons for advocating initiatives to be concentrated at the local level is that they then take account of local differences. Factors such as location of jobs, the housing market and poor transport links can contribute to the quantity and quality of available jobs in different London boroughs.
- 8.6 In some boroughs there may be large numbers of lone parents or people from ethnic minorities, while in other areas there may be more people on Incapacity Benefit claimants. Also, the numbers of competitors for available jobs - including other workless people, students, migrants and other workers - also varies between boroughs.
- 8.7 These differences need to be taken into account in formulating interventions to reduce worklessness at the local level: solutions need to be local, reflecting the kind of jobs people are able to get, and the individuals living in the area and

their individual problems. This has been shown to be more successful than 'one size fits all' national programmes: 'The most successful interventions know their clients, know their local employers, and have good relationships with other relevant agencies who can meet the needs they are unable to address directly. Most positive outcomes flow from following these principles'⁴³.

8.8 Boroughs worked closely with JCP and their delivery programme. However, if they had more local control then they would be able to target local problems. This was due to JCP programmes having regional and national targets and therefore resources were concentrated on those boroughs with high levels of unemployment to meet those targets.

- **Local targets not regional.**

8.9 Less attention is given to Boroughs, such as those in Outer London, that do not have the concentrations of unemployment as say some Inner London boroughs. Therefore local requirements should be included into the procurement process by setting local targets rather than regional.

8.10 The LDA work closely with boroughs but impose regional targets that don't fit into the local context. LDA targets such as getting 50 per cent of clients from BME groups into employment is difficult for boroughs with small ethnic populations.

- **local spend should be seen in context**

8.11 Boroughs will no longer have FND and Pathways to Work funding as they will cease in March 2011 with both being replaced by a new pilot Personalised Employment Programme (PEP). PEP will focus on barriers to work and not benefit and will cover multiple client or customer groups. Barnet, Enfield and Haringey will receive PEP. The unit cost is just under £1,500 per job.

8.12 The big difference in unit costs comes from the huge differences in scale of programmes – the new PEP in north London will have funds of £139million over 4 years. If this scale of funding was offered to the borough than unit costs could be reduced but not to the level suggested by DWP programmes. Borough based programmes deal with the hardest to reach individuals and groups, those furthest from the labour market and those often failed by the mainstream. For the borough it costs much more to help these groups onto pathways to work, into work and to sustain work.

8.13 A reduction in unit costs would result in the borough having the freedom and flexibility to commission and focus on larger and more targeted interventions, which would help them to achieve their employment outcomes.

⁴³ Meadows, P. (2008) *Local Initiatives to Help Workless People Find and Keep Paid Work* Joseph Rowntree Foundation , York

8.14 For comments regarding specific employment programmes and future plans by the selected boroughs see Appendix 4.

APPENDIX 1 – BOROUGH TABLES

Table A1 Number of workless⁴⁴ by age. 12 month average from April 2008 to May 2009

	Working age	16-19	20-24	25-34	35-49	50 - retirement
Barking & Dagenham	36,600	6,700	5,700	9,700	8,800	5,700
Barnet	66,200	9,700	12,000	13,900	16,900	13,700
Bexley	37,000	5,600	5,200	6,700	8,700	10,800
Brent	49,500	9,700	3,400	11,300	13,700	11,300
Bromley	42,900	8,400	7,500	8,500	10,800	7,800
Camden	56,200	8,300	9,100	13,500	16,000	9,500
City of London	1,000	-	-		500	-
Croydon	57,100	10,600	9,900	9,600	12,600	14,500
Ealing	60,400	13,500	9,100	14,300	12,300	11,100
Enfield	60,200	11,200	5,900	12,600	18,200	12,200
Greenwich	48,600	8,800	4,800	13,500	13,600	7,800
Hackney	46,400	6,900	8,100	13,000	11,700	6,500
Hammersmith & Fulham	37,300	5,000	7,100	7,200	9,700	8,400
Haringey	59,600	10,900	11,300	7,100	20,200	10,000
Harrow	38,200	9,300	4,000	7,100	10,400	7,300
Havering	30,800	4,400	3,100	5,700	9,400	8,200
Hillingdon	46,100	10,600	7,300	8,300	12,700	7,300
Hounslow	42,800	8,000	7,000	9,600	11,100	7,000
Islington	42,500	6,600	6,500	8,900	12,400	8,200
Kensington and Chelsea	41,600	5,700	7,000	9,700	11,300	7,800
Kingston upon Thames	29,300	6,200	4,700	5,400	6,500	6,500
Lambeth	60,200	11,900	8,300	10,800	18,500	10,600
Lewisham	49,400	8,000	8,400	12,700	14,500	5,800
Merton	30,700	4,100	4,200	7,000	9,500	6,100
Newham	68,900	13,600	9,400	17,800	19,800	8,200
Redbridge	52,200	10,900	7,800	11,600	13,100	8,900
Richmond upon Thames	27,400	4,800	3,500	4,300	10,200	4,800
Southwark	62,400	9,000	10,000	13,700	17,500	12,300
Sutton	26,600	5,200	3,000	2,300	10,100	5,900
Tower Hamlets	58,300	7,600	11,000	14,200	17,100	8,600
Waltham Forest	50,600	8,700	7,400	9,300	14,100	11,100
Wandsworth	45,900	-	4,800	13,700	11,700	7,700
Westminster	63,700	-	15,200	16,400	15,600	9,400
London	1,526,400	265,200	231,700	329,200	419,200	281,300
United Kingdom	9,930,400	1,855,800	1,395,400	1,626,900	2,434,600	2,617,800

Source: Annual Population Survey

"-": employment figures to calculate workless unreliable

⁴⁴ Number of total working age less those in employment

Table A2 Workless rate⁴⁵ by age. 12 month average from April 2008 to May 2009

	Working age	16-19	20-24	25-34	35-49	50 - retirement
Barking & Dagenham	36.0	83.1	41.7	34.9	24.2	35.9
Barnet	31.1	68.3	56.6	23.8	23.7	28.8
Bexley	27.0	48.8	38.3	28.7	17.0	29.0
Brent	26.7	83.7	17.2	19.6	22.6	32.2
Bromley	23.3	59.0	40.5	22.2	14.6	19.7
Camden	32.4	80.9	50.1	23.3	27.5	32.4
City of London	17.7	-	-		21.6	-
Croydon	26.3	66.6	37.7	17.9	16.7	31.1
Ealing	28.9	78.5	33.8	24.5	17.6	31.0
Enfield	32.7	72.0	34.0	30.6	24.8	33.8
Greenwich	33.1	77.1	34.3	31.3	26.5	29.3
Hackney	32.8	74.7	55.7	24.5	25.9	34.1
Hammersmith & Fulham	30.2	74.7	44.7	16.5	24.8	45.1
Haringey	37.8	88.9	50.8	17.6	32.6	48.1
Harrow	27.5	89.5	39.2	20.3	17.7	30.5
Havering	22.1	48.7	21.6	19.8	17.2	25.4
Hillingdon	28.5	72.4	36.7	24.1	21.4	21.5
Hounslow	28.5	81.3	37.9	24.7	20.8	23.9
Islington	31.1	82.3	40.9	18.6	27.9	39.1
Kensington and Chelsea	32.5	84.2	65.5	24.9	24.0	32.0
Kingston upon Thames	27.0	70.0	31.0	22.3	16.5	31.1
Lambeth	30.6	91.7	40.2	17.8	25.7	35.4
Lewisham	27.8	78.7	43.9	22.1	21.1	26.2
Merton	22.3	58.2	32.5	18.4	18.1	21.6
Newham	41.9	89.5	40.5	31.2	40.4	41.5
Redbridge	31.9	77.0	44.1	28.0	24.9	23.5
Richmond upon Thames	22.9	71.6	44.0	13.0	21.4	19.2
Southwark	31.5	80.7	38.5	20.0	27.4	42.3
Sutton	22.3	48.6	41.5	8.0	21.0	23.7
Tower Hamlets	38.2	85.8	43.2	26.3	36.7	47.1
Waltham Forest	34.3	80.3	42.7	26.2	25.9	37.6
Wandsworth	22.1	-	26.8	15.2	18.4	29.2
Westminster	35.9	-	59.6	24.9	29.8	35.7
London	29.9	75.7	40.7	22.3	23.3	30.9
United Kingdom	26.3	58.6	33.5	20.6	18.1	28.5

Source: Annual Population Survey

"-": employment figures to calculate workless unreliable

⁴⁵ Number of total working age less those in employment

Table A3 Number of people claiming benefit (working age), 2009

London borough	Job seekers allowance	Incapacity Benefit & SDA	Income support	Carer's allowance	Disability living allowance	Housing benefit	Council tax benefit
Barking and Dagenham	5,760	7,710	10,760	1,880	9,100	12,839	11,570
Barnet	6,060	9,770	11,380	2,220	10,880	15,153	13,224
Bexley	4,460	6,320	6,520	1,590	8,950	7,991	8,352
Brent	7,750	11,450	13,590	2,250	10,810	20,026	16,011
Bromley	5,430	7,830	8,350	1,790	9,970	10,992	10,156
Camden	5,120	10,540	12,000	1,710	9,830	17,577	13,063
City of London	140	200	160	30	170	732	208
Croydon	8,240	11,400	14,350	2,370	13,420	19,184	16,115
Ealing	7,810	11,770	13,200	2,330	11,940	17,214	14,233
Enfield	7,910	11,270	15,430	2,220	11,110	17,700	16,074
Greenwich	6,650	10,640	13,470	2,320	11,950	16,630	13,609
Hackney	8,150	12,230	16,570	2,070	10,780	23,889	18,268
Hammersmith & Fulham	4,670	7,540	9,060	1,100	6,920	13,429	9,901
Haringey	8,380	11,230	14,810	1,760	10,260	21,083	16,271
Harrow	3,800	6,310	6,550	1,610	7,630	8,911	7,956
Havering	4,750	7,000	6,680	1,670	9,110	7,926	9,329
Hillingdon	5,060	7,530	9,020	1,760	8,990	11,374	10,151
Hounslow	4,660	8,100	9,300	1,750	9,380	12,120	10,478
Islington	6,520	11,440	14,170	1,820	10,530	18,899	14,602
Kensington and Chelsea	2,970	5,830	6,460	790	5,130	10,700	7,629
Kingston upon Thames	2,130	3,370	3,380	670	3,810	5,191	4,566
Lambeth	9,460	12,670	16,440	1,840	11,850	23,818	17,130
Lewisham	8,020	11,550	15,300	1,960	12,330	20,124	15,590
Merton	3,350	4,820	5,290	1,050	5,680	7,038	6,516
Newham	8,690	12,020	16,210	3,130	13,260	22,722	17,691
Redbridge	5,750	8,390	9,580	2,170	9,900	10,577	10,494
Richmond upon Thames	2,250	3,750	3,480	640	4,180	5,638	5,107
Southwark	8,250	12,770	15,970	2,200	12,410	23,001	17,358
Sutton	3,180	5,010	5,100	1,180	6,360	7,045	6,583
Tower Hamlets	9,260	11,060	14,480	2,850	9,850	21,705	16,974
Waltham Forest	7,590	9,320	11,730	1,990	9,770	15,503	13,406
Wandsworth	5,610	8,970	10,310	1,620	9,700	15,853	11,113
Westminster	4,380	10,030	10,920	1,590	8,610	16,151	10,848
London	192,210	289,840	350,000	57,930	304,580	478,721	390,557

Source: DWP

All benefits relate to February 2009 apart from Housing and Council Tax benefit which relates to May 2009

Table A4 Average weekly payment (£), 2009

London borough	Job seekers allowance	Incapacity Benefit & SDA	Income support	Carer's allowance	Disability living allowance	Housing benefit	Council tax benefit
Barking and Dagenham	54.63	92.07	85.02	51.25	72.84	106.57	13.63
Barnet	53.37	90.16	85.62	51.01	71.84	112.11	19.50
Bexley	53.50	90.80	85.19	50.79	72.55	103.13	17.07
Brent	53.94	89.02	86.58	49.99	71.46	110.13	16.56
Bromley	54.37	90.80	83.16	50.82	71.03	106.87	17.39
Camden	55.48	91.43	91.38	50.80	71.21	112.65	18.01
City of London	57.08	90.30	77.24	50.57	84.08	103.48	12.87
Croydon	54.64	89.67	81.58	50.39	71.21	113.53	17.39
Ealing	53.99	91.11	87.69	50.64	71.06	111.86	17.77
Enfield	56.09	89.81	85.44	51.05	71.29	110.47	17.42
Greenwich	54.21	90.21	84.26	51.37	73.23	107.30	14.01
Hackney	56.00	90.86	87.54	51.94	71.02	102.72	13.30
Hammersmith & Fulham	54.91	90.51	87.70	51.37	72.24	108.86	16.23
Haringey	55.60	90.48	85.42	51.12	70.40	104.21	17.41
Harrow	52.82	89.61	86.35	49.96	71.56	113.09	20.39
Havering	52.35	90.90	82.44	50.50	72.21	111.70	18.32
Hillingdon	53.60	89.72	81.60	51.48	71.60	115.04	18.70
Hounslow	52.91	90.33	86.47	51.01	71.00	110.78	17.73
Islington	55.20	91.19	89.77	50.72	71.49	104.61	16.02
Kensington and Chelsea	55.31	91.07	88.49	51.36	73.09	104.16	17.30
Kingston upon Thames	54.01	89.45	82.53	50.71	70.01	115.41	21.68
Lambeth	55.83	89.54	84.74	50.92	71.69	100.02	13.47
Lewisham	54.73	89.87	83.68	52.11	71.27	99.14	13.97
Merton	54.83	89.29	84.07	50.79	70.74	110.31	17.85
Newham	57.15	92.37	88.90	51.47	73.18	106.31	12.90
Redbridge	53.90	90.54	87.04	50.81	73.14	114.52	17.15
Richmond upon Thames	53.44	89.28	83.34	50.22	72.31	105.98	23.34
Southwark	55.04	90.50	83.69	51.22	71.18	105.50	13.14
Sutton	54.14	89.35	82.96	50.75	71.00	106.29	18.16
Tower Hamlets	59.11	91.98	88.17	51.82	70.09	100.57	13.48
Waltham Forest	53.32	90.95	86.68	51.25	72.26	104.61	15.65
Wandsworth	55.65	89.66	86.36	50.82	70.49	111.71	8.73
Westminster	55.02	90.89	92.05	52.68	72.28	112.80	10.55
London	54.90	90.44	86.07	51.07	71.61	106.36	16.18

Source: DWP

All benefits relate to February 2009 apart from Housing and Council Tax benefit which relates to May 2009

Table A5 Total estimated amount per week (£)

London borough	Job seekers allowance	Incapacity Benefit & SDA	Income support	Carer's allowance	Disability living allowance	Housing benefit	Council tax benefit
Barking and Dagenham	314,669	709,860	914,815	96,350	662,859	1,368,233	157,687
Barnet	323,422	880,863	974,356	113,242	781,565	1,698,804	257,845
Bexley	238,610	573,856	555,439	80,756	649,297	824,144	142,555
Brent	418,035	1,019,279	1,176,622	112,478	772,455	2,205,527	265,094
Bromley	295,229	710,964	694,386	90,968	708,148	1,174,698	176,644
Camden	284,058	963,672	1,096,560	86,868	700,013	1,980,034	235,313
City of London	7,991	18,060	12,358	1,517	14,293	75,787	2,678
Croydon	450,234	1,022,238	1,170,673	119,424	955,630	2,177,941	280,298
Ealing	421,662	1,072,365	1,157,508	117,991	848,473	1,925,547	252,933
Enfield	443,672	1,012,159	1,318,339	113,331	791,996	1,955,280	280,008
Greenwich	360,497	959,834	1,134,982	119,178	875,057	1,784,377	190,610
Hackney	456,400	1,111,218	1,450,538	107,516	765,629	2,453,856	243,052
Hammersmith & Fulham	256,430	682,445	794,562	56,507	499,881	1,461,906	160,723
Haringey	465,928	1,016,090	1,265,070	89,971	722,274	2,197,064	283,231
Harrow	200,716	565,439	565,593	80,436	546,023	1,007,801	162,219
Havering	248,663	636,300	550,699	84,335	657,804	885,358	170,949
Hillingdon	271,216	675,592	736,032	90,605	643,695	1,308,432	189,840
Hounslow	246,561	731,673	804,171	89,268	666,004	1,342,640	185,787
Islington	359,904	1,043,214	1,272,041	92,310	752,762	1,977,040	233,880
Kensington & Chelsea	164,271	530,938	571,645	40,574	374,929	1,114,542	131,966
Kingston upon Thames	115,041	301,447	278,951	33,976	266,723	599,135	99,005
Lambeth	528,152	1,134,472	1,393,126	93,693	849,488	2,382,308	230,674
Lewisham	438,935	1,037,999	1,280,304	102,136	878,803	1,995,140	217,729
Merton	183,681	430,378	444,730	53,330	401,810	776,382	116,320
Newham	496,634	1,110,287	1,441,069	161,101	970,423	2,415,532	228,211
Redbridge	309,925	759,631	833,843	110,258	724,101	1,211,291	179,975
Richmond upon Thames	120,240	334,800	290,023	32,141	302,259	597,566	119,207
Southwark	454,080	1,155,685	1,336,529	112,684	883,353	2,426,695	228,134
Sutton	172,165	447,644	423,096	59,885	451,575	748,823	119,570
Tower Hamlets	547,359	1,017,299	1,276,702	147,687	690,414	2,182,957	228,802
Waltham Forest	404,699	847,654	1,016,756	101,988	705,983	1,621,770	209,839
Wandsworth	312,197	804,250	890,372	82,328	683,757	1,770,915	97,018
Westminster	240,988	911,627	1,005,186	83,761	622,301	1,821,842	114,463
London	10,552,264	26,213,130	30,127,076	2,958,593	21,819,777	51,469,367	6,192,259

Source: DWP

All benefits relate to February 2009 apart from Housing and Council Tax benefit which relates to May 2009

Table A6 Maintained Nursery and Primary Schools, free school meals by London borough, January 2007

	Number on roll	Pupils taking free school meals	% taking free school meals	No. known to be eligible for free meals	% known to be eligible for free meals
Barking and Dagenham	18,760	3,870	20.6	4,500	24.0
Barnet	26,410	3,990	15.1	5,050	19.1
Bexley	20,470	1,660	8.1	2,100	10.3
Brent	23,630	5,680	24.0	6,440	27.3
Bromley	23,570	2,280	9.7	2,750	11.7
Camden	11,520	3,930	34.1	4,870	42.2
City of London	230	60	25.3	60	25.8
Croydon	29,730	4,960	16.7	6,250	21.0
Ealing	26,900	5,240	19.5	6,100	22.7
Enfield	27,430	5,970	21.8	6,910	25.2
Greenwich	21,580	5,400	25.0	6,790	31.5
Hackney	18,060	6,070	33.6	6,930	38.4
Hammersmith and Fulham	10,060	3,740	37.1	4,250	42.3
Haringey	22,130	6,360	28.8	7,080	32.0
Harrow	19,590	2,890	14.7	3,250	16.6
Havering	19,130	1,590	8.3	2,150	11.3
Hillingdon	24,320	3,060	12.6	4,090	16.8
Hounslow	19,060	3,500	18.3	4,120	21.6
Islington	14,270	5,280	37.0	6,080	42.6
Kensington and Chelsea	7,270	2,350	32.3	2,740	37.7
Kingston upon Thames	11,730	940	8.0	1,020	8.7
Lambeth	20,600	6,580	31.9	7,690	37.3
Lewisham	22,030	4,620	21.0	5,820	26.4
Merton	15,080	1,470	9.7	1,810	12.0
Newham	31,510	7,900	25.1	9,310	29.5
Redbridge	24,470	3,240	13.2	4,360	17.8
Richmond upon Thames	13,080	900	6.9	1,110	8.4
Southwark	23,060	6,370	27.6	7,750	33.6
Sutton	14,910	1,590	10.6	1,910	12.8
Tower Hamlets	23,080	10,190	44.2	12,090	52.4
Waltham Forest	22,220	4,830	21.7	5,490	24.7
Wandsworth	17,660	4,430	25.1	4,850	27.5
Westminster	11,340	3,680	32.4	4,000	35.2
London	634,860	134,600	21.2	159,700	25.2

Source: School Census

(1) Includes middle schools as deemed.

(2) Includes dually registered pupils and boarding pupils.

(3) National and regional totals have been rounded to the nearest 10. There may be discrepancies between the sum of constituent items and totals as shown.

Table A7 Maintained Secondary Schools, free school meals by London borough, January 2007

	Number on roll	Pupils taking free school meals	% taking free school meals	No. known to be eligible for free meals	% known to be eligible for free meals
Barking and Dagenham	12,560	2,410	19.2	3,480	27.7
Barnet	19,500	2,270	11.7	2,920	15.0
Bexley	18,420	1,030	5.6	1,500	8.1
Brent	16,580	2,730	16.5	3,750	22.6
Bromley	22,260	1,710	7.7	2,140	9.6
Camden	9,970	2,450	24.6	3,330	33.4
City of London	-	-	-	-	-
Croydon	18,670	2,660	14.3	3,430	18.4
Ealing	15,370	3,050	19.9	3,930	25.6
Enfield	22,220	3,340	15.0	4,380	19.7
Greenwich	14,410	2,850	19.8	4,050	28.1
Hackney	6,590	2,060	31.3	2,460	37.3
Hammersmith and Fulham	6,030	1,350	22.4	1,520	25.3
Haringey	11,870	3,550	29.9	4,010	33.8
Harrow	9,090	1,480	16.3	1,740	19.2
Havering	16,600	1,110	6.7	1,560	9.4
Hillingdon	17,100	2,490	14.6	2,880	16.8
Hounslow	16,680	2,390	14.3	3,050	18.3
Islington	7,940	2,650	33.3	3,290	41.4
Kensington and Chelsea	3,510	680	19.5	930	26.6
Kingston upon Thames	9,670	610	6.3	760	7.9
Lambeth	8,190	2,680	32.7	3,060	37.4
Lewisham	11,100	2,160	19.5	2,860	25.7
Merton	7,180	660	9.1	880	12.2
Newham	18,260	4,990	27.3	7,160	39.2
Redbridge	21,000	2,470	11.8	3,360	16.0
Richmond upon Thames	7,130	880	12.3	1,120	15.6
Southwark	8,340	2,390	28.6	2,660	31.9
Sutton	16,340	840	5.1	1,180	7.2
Tower Hamlets	14,470	6,450	44.5	8,520	58.8
Waltham Forest	13,220	2,440	18.5	3,270	24.7
Wandsworth	10,440	2,020	19.4	2,510	24.1
Westminster	6,690	1,670	25.0	1,990	29.7
London	417,400	72,540	17.4	93,660	22.4

Source: School Census

(1) Includes middle schools as deemed.

(2) Includes dually registered pupils and boarding pupils.

(3) National and regional totals have been rounded to the nearest 10. There may be discrepancies between totals and the sum of constituent parts.

- Not applicable. No schools of this type

Table A8 Estimates of rents by London borough

London borough	Weekly Rents: RSL rents, by district - assumption numbers for Great Britain and England are the same, 2008	Estimate of an average weekly private rent, average for 2006 to 2008
Barking and Dagenham	84.97	207.31
Barnet	89.39	218.10
Bexley	82.23	200.63
Brent	87.81	214.24
Bromley	85.21	207.90
Camden	89.82	219.14
City of London	82.51	201.31
Croydon	90.52	220.85
Ealing	89.19	217.61
Enfield	88.08	214.90
Greenwich	85.55	208.73
Hackney	81.90	199.82
Hammersmith and Fulham	86.80	211.78
Haringey	83.09	202.72
Harrow	90.17	220.00
Havering	89.06	217.29
Hillingdon	91.72	223.78
Hounslow	88.33	215.51
Islington	83.41	203.51
Kensington and Chelsea	83.05	202.63
Kingston upon Thames	92.02	224.51
Lambeth	79.75	194.58
Lewisham	79.05	192.87
Merton	87.95	214.58
Newham	84.76	206.80
Redbridge	91.31	222.78
Richmond upon Thames	84.50	206.16
Southwark	84.12	205.24
Sutton	84.75	206.77
Tower Hamlets	80.19	195.65
Waltham Forest	83.41	203.51
Wandsworth	89.07	217.31
Westminster	89.94	219.44
London	84.80	206.90

Source for RSL rents data: Communities and Local Governments

Private rents data in London boroughs estimated by using the available average private rent for the whole of London (£900 a month - £206.90 a week) as a benchmark and contrasting it with the ratios for particular boroughs constructed based on the RSL rents.

APPENDIX 2 – FERRET TABLES FOR LONDON

The following tables show different cases run through a regularly updated, adviser-standard benefits calculator (Ferret). This produces the benefit, tax credit, Housing benefit, Council Tax Benefit, Income Tax and National Insurance payments and receipts in the in-work and out-of work situations. These costs and benefits are attributed to different household types: single parent with two children, as single person and a couple with two children.

Lone parent with two children						
	Out of work	£	Working 16h pw	£	Working 35h pw	£
Jobseeker	WTC & CTC	96.65	WTC & CTC	168.7	WTC & CTC	183.65
	JSA/IB/ESA	64.3	JSA/IB/ESA	0	JSA/IB/ESA	0
	HB	185	HB	147.36	HB	83.24
	CTB	22.97	CTB	11.39	CTB	0
	CB	33.2	CB	33.2	CB	33.2
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>	
	HMRC	129.85	HMRC	201.9	HMRC	216.85
	DWP	64.3	DWP	0	DWP	0
	LA	207.97	LA	158.75	LA	83.24
	Government (total)	402.12	Government (total)	360.65	Government (total)	300.09
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>	
			HMRC	-72.05	HMRC	-87
			DWP	64.3	DWP	64.3
			LA	49.22	LA	124.73
		Government (total)	41.47	Government (total)	102.03	
Income Support	WTC & CTC	96.65	WTC & CTC	168.7	WTC & CTC	183.65
	JSA/IB/ESA	64.3	JSA/IB/ESA	0	JSA/IB/ESA	0
	HB	185	HB	147.36	HB	83.24
	CTB	22.97	CTB	11.39	CTB	0
	CB	33.2	CB	33.2	CB	33.2
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>	
	HMRC	129.85	HMRC	201.9	HMRC	216.85
	DWP	64.3	DWP	0	DWP	0
	LA	207.97	LA	158.75	LA	83.24
	Government (total)	402.12	Government (total)	360.65	Government (total)	300.09
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>	
			HMRC	-72.05	HMRC	-87
			DWP	64.3	DWP	64.3
			LA	49.22	LA	124.73
		Government (total)	41.47	Government (total)	102.03	
Incapacity Benefit	WTC & CTC	96.56	WTC & CTC	217.41	WTC & CTC	187.56
	JSA/IB/ESA	0	JSA/IB/ESA	0	JSA/IB/ESA	0
	HB	167.86	HB	134.67	HB	98.82
	CTB	0	CTB	0	CTB	0
	CB	33.2	CB	33.2	CB	33.2
	IB	90.44	IB	90.44	IB	90.44
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>	
	HMRC	129.76	HMRC	250.61	HMRC	220.76
	DWP	90.44	DWP	90.44	DWP	90.44
	LA	167.86	LA	134.67	LA	98.82
	Government (total)	388.06	Government (total)	475.72	Government (total)	410.02
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>	
			HMRC	-120.85	HMRC	-135.8
			DWP	90.44	DWP	90.44
		LA	34.28	LA	98.41	
		Government (total)	3.87	Government (total)	53.05	

		Single person					
		Out of work		Working 16h pw		Working 35h pw	
		£		£		£	
Jobseeker	WTC & CTC	0	WTC & CTC	0	WTC & CTC	51.3	
	JSA/IB/ESA	64.3	JSA/IB/ESA	0	JSA/IB/ESA	0	
	HB	185	HB	170.46	HB	93.66	
	CTB	0	CTB	0	CTB	0	
	CB	0	CB	0	CB	0	
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>		
	HMRC	0	HMRC	0	HMRC	51.3	
	DWP	64.3	DWP	0	DWP	0	
	LA	185	LA	170.46	LA	93.66	
	Government (total)	249.3	Government (total)	170.46	Government (total)	144.96	
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>		
			HMRC	0	HMRC	-51.3	
			DWP	64.3	DWP	64.3	
			LA	14.54	LA	91.34	
		Government (total)	78.84	Government (total)	104.34		
Income Support	WTC & CTC	0	WTC & CTC	0	WTC & CTC	51.3	
	JSA/IB/ESA	64.3	JSA/IB/ESA	0	JSA/IB/ESA	0	
	HB	185	HB	170.46	HB	93.66	
	CTB	0	CTB	0	CTB	0	
	CB	0	CB	0	CB	0	
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>		
	HMRC	0	HMRC	0	HMRC	51.3	
	DWP	64.3	DWP	0	DWP	0	
	LA	185	LA	170.46	LA	93.66	
	Government (total)	249.3	Government (total)	170.46	Government (total)	144.96	
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>		
			HMRC	0	HMRC	-51.3	
			DWP	64.3	DWP	64.3	
			LA	14.54	LA	91.34	
		Government (total)	78.84	Government (total)	104.34		
Incapacity Benefit	WTC & CTC	0	WTC & CTC	85.06	WTC & CTC	100.01	
	JSA/IB/ESA	89.8	JSA/IB/ESA	0	JSA/IB/ESA	0	
	HB	185	HB	153.75	HB	89.62	
	CTB	0	CTB	0	CTB	0	
	CB	0	CB	0	CB	0	
	IB	0	IB	0	IB	0	
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>		
	HMRC	0	HMRC	85.06	HMRC	100.01	
	DWP	89.8	DWP	0	DWP	0	
	LA	185	LA	153.75	LA	89.62	
	Government (total)	274.8	Government (total)	238.81	Government (total)	189.63	
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>		
			HMRC	-85.06	HMRC	-100.01	
			DWP	89.8	DWP	89.8	
		LA	31.25	LA	95.38		
		Government (total)	35.99	Government (total)	85.17		

Family with two children aged 12 and 15						
	Out of work	£	Working 16h pw	£	Working 35h pw	£
One Jobseeker one inactive	WTC & CTC	96.56	WTC & CTC	168.7	WTC & CTC	183.65
	JSA/IB/ESA	100.95	JSA/IB/ESA	0	JSA/IB/ESA	0
	HB	185	HB	161.44	HB	97.31
	CTB	0	CTB	0	CTB	0
	CB	33.2	CB	33.2	CB	33.2
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>	
	HMRC	129.76	HMRC	201.9	HMRC	216.85
	DWP	100.95	DWP	0	DWP	0
	LA	185	LA	161.44	LA	97.31
	Government (total)	415.71	Government (total)	363.34	Government (total)	314.16
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>	
			HMRC	-72.14	HMRC	-87.09
			DWP	100.95	DWP	100.95
		LA	23.56	LA	87.69	
		Government (total)	52.37	Government (total)	101.55	
One Jobseeker one working part-time for the last year	WTC & CTC	168.7	WTC & CTC	183.65	WTC & CTC	183.65
	JSA/IB/ESA	0	JSA/IB/ESA	0	JSA/IB/ESA	0
	HB	161.44	HB	92.13	HB	37.72
	CTB	0	CTB	0	CTB	0
	CB	33.2	CB	33.2	CB	33.2
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>	
	HMRC	201.9	HMRC	216.85	HMRC	216.85
	DWP	0	DWP	0	DWP	0
	LA	161.44	LA	92.13	LA	37.72
	Government (total)	363.34	Government (total)	308.98	Government (total)	254.57
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>	
			HMRC	-14.95	HMRC	-14.95
			DWP	0	DWP	0
		LA	69.31	LA	123.72	
		Government (total)	54.36	Government (total)	108.77	
One Jobseeker one working full-time for the last year	WTC & CTC	183.65	WTC & CTC	183.65	WTC & CTC	153.06
	JSA/IB/ESA	0	JSA/IB/ESA	0	JSA/IB/ESA	0
	HB	97.31	HB	37.72	HB	3.2
	CTB	0	CTB	0	CTB	0
	CB	33.2	CB	33.2	CB	33.2
	IB		IB		IB	0
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>	
	HMRC	216.85	HMRC	216.85	HMRC	186.26
	DWP	0	DWP	0	DWP	0
	LA	97.31	LA	37.72	LA	3.2
	Government (total)	314.16	Government (total)	254.57	Government (total)	189.46
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>	
			HMRC	0	HMRC	30.59
		DWP	0	DWP	0	
		LA	59.59	LA	94.11	
		Government (total)	59.59	Government (total)	124.7	

Family with two young children aged 5 and 8						
	Out of work	£	Working 16h pw	£	Working 35h pw	£
One Jobseeker one inactive	WTC & CTC	96.56	WTC & CTC	168.7	WTC & CTC	183.65
	JSA/IB/ESA	100.95	JSA/IB/ESA	0	JSA/IB/ESA	0
	HB	185	HB	161.44	HB	97.31
	CTB	0	CTB	0	CTB	0
	CB	33.2	CB	33.2	CB	33.2
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>	
	HMRC	129.76	HMRC	201.9	HMRC	216.85
	DWP	100.95	DWP	0	DWP	0
	LA	185	LA	161.44	LA	97.31
	Government (total)	415.71	Government (total)	363.34	Government (total)	314.16
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>	
			HMRC	-72.14	HMRC	-87.09
			DWP	100.95	DWP	100.95
			LA	23.56	LA	87.69
		Government (total)	52.37	Government (total)	101.55	
One Jobseeker one working part-time for the last year	WTC & CTC	168.7	WTC & CTC	271.05	WTC & CTC	271.05
	JSA/IB/ESA	0	JSA/IB/ESA	0	JSA/IB/ESA	0
	HB	161.44	HB	106.33	HB	51.92
	CTB	0	CTB	0	CTB	0
	CB	33.2	CB	33.2	CB	33.2
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>	
	HMRC	201.9	HMRC	304.25	HMRC	304.25
	DWP	0	DWP	0	DWP	0
	LA	161.44	LA	106.33	LA	51.92
	Government (total)	363.34	Government (total)	410.58	Government (total)	356.17
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>	
			HMRC	-102.35	HMRC	-102.35
			DWP	0	DWP	0
			LA	55.11	LA	109.52
		Government (total)	-47.24	Government (total)	7.17	
One Jobseeker one working full-time for the last year	WTC & CTC	153.06	WTC & CTC	240.46	WTC & CTC	240.46
	JSA/IB/ESA	0	JSA/IB/ESA	0	JSA/IB/ESA	0
	HB	117.2	HB	71.81	HB	17.4
	CTB	0	CTB	0	CTB	0
	CB	33.2	CB	33.2	CB	33.2
	IB		IB		IB	0
	<i>Cost for:</i>		<i>Cost for:</i>		<i>Cost for:</i>	
	HMRC	186.26	HMRC	273.66	HMRC	273.66
	DWP	0	DWP	0	DWP	0
	LA	117.2	LA	71.81	LA	17.4
	Government (total)	303.46	Government (total)	345.47	Government (total)	291.06
			<i>Benefit of moving into work for:</i>		<i>Benefit of moving into work for:</i>	
			HMRC	-87.4	HMRC	-87.4
			DWP	0	DWP	0
		LA	45.39	LA	99.8	
		Government (total)	-42.01	Government (total)	12.4	

APPENDIX 3 - WORKLESSNESS-RELATED PROVISION BY BOROUGH

The table of borough activity is not comprehensive but gives an idea of the type of projects that boroughs run and commission.

Borough	Employment Programmes	Overarching employment support programme	Costings/ Outcomes
Barking and Dagenham	<p><i>Workforce Development</i> – the development of regeneration is hoped to create more jobs for local residents</p> <p><i>Working for Health</i>- project to help those on IB gain employment</p>	<p>2020 vision</p> <p>Tomorrow's People project</p>	<p>Overall Tomorrows people has had funding of £1.25m from working neighbourhoods fund and £2.5m from the London Councils European Social Fund</p>
Barnet	<p><i>Care2work</i> – for those who are aged 50 and over, unemployed but not claiming JSA</p> <p><i>Workforce Development Gateway</i></p> <p><i>Community Employment Initiative</i>- specifically targeting worklessness</p>	<p>Barnet local strategic partnership</p>	<p>Ended in March 2008</p>
Bexley	<p><i>Resources Plus</i>- employment support service helping with CVs etc</p> <p><i>Top 100</i>- supporting young out of education- back into the labour marker</p> <p><i>Redundancy Taskforce</i> - targeting intervention to re-engage workforce speedily following site closures;</p> <p><i>Link-up and foyer</i> -developed by skills and training service- engaging with communities through voluntary sector to get 'hard to reach' people in employment</p>	<p>JobNet</p>	<p>New report indicates that Resources plus has run out of funding since the contract with the London Development Agency finished in March 2009</p> <p>Overall expenditure Brent council's strategic plan of enabling economic growth through creating pathways to higher skills for the local workforce and job-seekers. Estimated expenditure £120,500 in 2009/10</p> <p>Overall expenditure for Brent Council with the strategic plan of 'sustainability through linking local jobs with local people the' Estimated expenditure £720,000 in 2009/10</p>
Camden	<p><i>Camden Working 4 U</i> employment opportunities programme</p>	<p>Camden Working</p>	<p>This will be implemented between 2010/11 -£4m is being used for employment, skill and business programmes, for two years as part of a recovery fund to alleviate the affects of the recession.</p>

Borough	Employment Programmes	Overarching employment support programme	Costings/ Outcomes
	<p><i>Digital literacy-</i> for those that need basic computing skills</p> <p>MyGuide internet and emails for beginners</p>		
Croydon	<p><i>Croydon employment and support services (CESS) –</i> supporting people with disabilities find appropriate employment and other beneficial services.</p> <p><i>Action for blind people-</i> supporting blind people into employment</p> <p><i>Croydon Mencap-</i> advice and support service for those with learning disabilities which includes employment advice</p>		There is a budget of £338,000 per annum directly for employment services within this support service in 2009/10 budget
Ealing	<p><i>The Together for Children Poverty toolkit-</i> This toolkit is used by staff and is used in connection with a borough wide agenda of making all staff aware of child poverty and worklessness</p> <p><i>Worklessness Group-</i> initially has been implemented in the area of Northholt-</p> <p><i>Pathways to work programme</i></p> <p><i>The Links Project-</i> training programme trying to get people with mental health problems into employment.</p> <p><i>Adult disability service-</i> Learning Curve, helping those with a disability gain employment</p> <p><i>Community Benefits Team-</i></p>	Reed employment Links project networks with other employment providers; reed, citizens advice and Job centre plus.	The worklessness group is initially concentrating in Northolt but hopes to disseminate the results across the borough

Borough	Employment Programmes	Overarching employment support programme	Costings/ Outcomes
	supporting vulnerable people into employment		
Enfield	Workstep- helps those with disabilities find employment.		
Greenwich	<p><i>Resources Plus</i></p> <p><i>Greenwich Local Labour and Business (GLLaB)</i></p> <p><i>Greenwich Employment Forum</i> – This co-ordinates activities between strategic partners, the forum is used to plan activities for skills, employment and training opportunities</p>	JobNet	GLLaB has placed over 7,000 people into jobs since it began in 1996. In the past three years alone, it has placed 2,470, of which 44% were from black and minority ethnic communities. The 2009/10 budget is £328,860
Hackney	<i>Team Hackney Worklessness</i> - this team is currently trying to put into place services to help people gain employment		As these services have not been implemented there are no outcomes or costings provided.
Harrow	<i>Xcite project</i> - employment support service for unemployment, parents over 18 who are in receipt of housing benefits and living in rented accommodation.		
Hillingdon	<i>P3 Jobshop</i> - works with young people at risk of social exclusion and aims to help them gain employment		The project was given a one off grant of £40,000. The council has reported a lack of funding to support the service provided. Committee papers have reported if funding is not secured by 01/06/09, the service will close.
Hounslow	<p><i>Leaders Employment Service</i>- helps those with disability or health problems find employment.</p> <p><i>Job preparation service</i> that helps the disabled and those with mental health back into employment.</p> <p><i>Learn and Earn Apprenticeships</i>- recruitment service that helps employers find young people to work and learn at the same time.</p>		The council hoped to recruited 30 apprentice in 2008/09 They successfully recruited 11 in 2006/07. The cost of each apprentice is £10,000. The apprentice starts on £8,500 but after a three month appraisal they could receive a £500 increment
Islington	<p><i>Islington Working</i>- employment services helping people in the local area find work. This scheme helps a variety of different residents gain employment.</p> <p><i>Islington Apprentices Scheme</i>-</p>		

Borough	Employment Programmes	Overarching employment support programme	Costings/ Outcomes
	<p>for those who are over 16 gives a chance to train with a council department for up to two years.</p> <p><i>Personal Best</i>- helping those who have no qualifications or training, gain a volunteering position, the course includes a 10-week training course.</p>		
Kensington and Chelsea	<p><i>Mind Skills and Development Service</i>- part of this service has an employment project which aims to help people develop core skills needed for employment</p> <p>Bridge Building/Output Team- helping people in the community find work, activities and training.</p>		
Kingston upon Thames	<p><i>Back to Employment Courses</i>- this is a course for over 19s that is 12 weeks long for those who are unemployed or carrying out voluntary work; it involves guidance and support with the aim of getting back into work.</p> <p>Entry to Employment- service for unemployed people between the ages of 16-18, who want to prepare for entry into employment, training or apprenticeships</p>		No budget information on the website at the moment.
Lambeth	<p><i>Skills for jobs</i>- helps those with little qualification take the first steps back to employment.</p> <p><i>Personal Best Programme</i>- accredited training scheme aimed at building confidence and skills by giving training, job placements and volunteering opportunities, this is available for those who are unemployed and don't have any qualifications.</p> <p><i>The gain project</i>- specialist support for lone parents who have been out of work for a long period and want to find employment again.</p> <p><i>Lambeth Working Advice centre's</i> – aiming to provide training and employment advice to local people.</p>		The council aim by 2010 to have 250 people gain their first qualification
Merton	Pathways to Employment for the Tamil Refugee Community	ALG Co-financing Programme	93 beneficiaries on the project to date 46 beneficiaries on the project at present Eight beneficiaries completed project and

Borough	Employment Programmes	Overarching employment support programme	Costings/ Outcomes
			<p>outcomes achieved for all – either in full/part time employment or in further education/training programmes</p> <p>24 hard outcomes achieved to date; one person in full time employment, two people in part time employment, two people are in self employment, 12 people are on courses and seven people are on work placements</p> <p>11 soft outcomes achieved – all of these people who left the project early went into either full/part time employment</p> <p>28 early leavers throughout this period – 13 have continued onto further education/training programmes and 15 have gone into unemployment.</p>
Newham	<i>Newco employment and training (Net)</i> – helps unemployed disabled people gain skills and qualifications.		
Redbridge	enterpriseREDBRIDGE- has a range of services that help to improve skills and employment and tackle the issue of worklessness in the area		EnterpriseREDBRIDGE is within the LAA agreement, it has been given 30 improvement targets to hit between 2008-2011, if the targets are achieved within 3 years they are rewarded £2.2m. In terms of worklessness one of the targets is to get people into employment who are on benefits.
Richmond upon Thames	<p><i>Way to work modern apprenticeship scheme</i>- helps those between the ages of 16-18 years old gain training and skills and advice and access to employment opportunities.</p> <p><i>Disability Equality and Access Partnership (DEAP)</i> – helps those with a disability access mainstream services and employment.</p>		In budget it states there is a reserve of £92
Southwark	<p><i>Southwark Works</i>- helps people who may be excluded, disabled or those claiming benefits find employment.</p> <p>START- supporting local workless people into entry level positions</p>		<p>Southwark Works funds include:</p> <p>Foot in door scheme- £63,970</p> <p>Programme Management £115, 650</p> <p>Bermondsey Office Management £264,210</p> <p>Elephant and Castle Office Management £133,799</p> <p>Employee liaison project £124,390</p> <p>London Borough of Southwark fund this project and provide £140,000</p>
Sutton	<i>Employment working group</i> - has created a directory that lists agencies that those with a disability of carers can use. The		

<i>Borough</i>	<i>Employment Programmes</i>	<i>Overarching employment support programme</i>	<i>Costings/ Outcomes</i>
	working group also runs a 'Routes to work' event which allows those with disabilities to drop in and seek advice about employment and training.		
Waltham Forest	WorkNet- employment service that offers guidance, advice and training to help local residents gain employment.		The Waltham Forest council report to be spending £3.4m on their contribution to the government's city strategy path finder for East London on WorkNet. The plan that was put forward in January 2008 hopes to get 600 people into employment within the first 15 months of implementation. The WorkNet scheme will be aim to reach out to people in local communities by being available to access in local areas and through healthcare and community facilities.
Wandsworth	<i>Economic Development Office-</i> The Battersea Job Shop and Peabody Outreach Project is providing outreach, mentoring and intensive one-to-one help and support to residents in the East Battersea regeneration area into paid employment.		To date the Programme is achieving 96% of its targets and focuses purely on BME clients
Westminster	<i>Westminster Employment (WE)</i> - a specialist employment service dedicated to helping those with disabilities, mental health issues, drug and alcohol and young offenders find work. <i>Highways Traineeship Scheme-</i> launched along side a charity called <i>Vital Regeneration-</i> Those who become trainees will be able to spend three years gaining on the job experience learning about some of the key disciplines of Highway Maintenance such as repairing roads and pavements, highway inspections and computer aided design. <i>Homeless, Employment, Learning (HELP)</i> – Helping those that are homeless get into work and improve their career prospects.		
Upper Lee Valley boroughs secure funding to tackle worklessness	The Upper Lee Valley boroughs of Enfield, Haringey and Waltham Forest have secured £1.5m, up to March 2010, from the London Development Agency (LDA) to tackle worklessness. The funding will be used to develop a North London Pledge, which will		

<i>Borough</i>	<i>Employment Programmes</i>	<i>Overarching employment support programme</i>	<i>Costings/ Outcomes</i>
	<p>provide an integrated and coherent approach to involving employers and tackling worklessness. The Pledge will build on existing employment programmes in the three boroughs and is targeted to deliver 300 sustained jobs (16 hours a week for 13 weeks), primarily amongst women, ethnic minorities and disabled people. There will also be a sharp focus on long-term (6 months or more) Job Seekers Allowance and Incapacity Benefit claimants.</p>		

APPENDIX 4 - WORKLESSNESS-RELATED PROVISION FOR INTERVIEWED BOROUGHES

Employment programmes, costings and outcomes in six London boroughs: Brent, Bromley, Hammersmith and Fulham, Haringey, Havering, Tower Hamlets – chosen for the second stage of the worklessness audit project.

Borough	Employment programmes	Overarching employment support programme	Costings	Outcomes
<i>Brent</i>	<i>Brent in2 work</i> launched with the intention of assisting the long-term unemployed return to work and to higher levels of earning. The programme enables Brent to target its priority groups of homeless, ex-offenders, Incapacity benefit claimants and disabled residents, as well as BAME residents more generally. These groups are directed towards suitable employment opportunities and language training, amongst other activities.		<i>Brent in2 Work</i> , employs 47 staff, at a total programme cost of £4m. In the Budget Committee meeting for Brent Council there has been an acknowledgement that it will be funded for 2009/10, but will then be scaled down from then onwards. Funding £4million.	In 2008 Brent in2 work services was used by 2,528 with over half; 1,282 finding a job.
<i>Bromley</i>	<i>People into Employment project</i> – to deliver the LAA target of 100 people in receipt of Income Support as a lone parent or for ill health or Incapacity Benefit for more than six months into sustained employment (16 hours + for 13 weeks + . The deadline for being in employment is the end of March 2010 but completion of 13 weeks can be end of June 2010. (in particular hoping to help lone parents and those on Incapacity benefits. Goal set by the council in April 2007 was to get 100 unemployed people into sustained		Government pump-priming of (£80,000), was available in total over the life of the project but the emphasis on achieving the target has been to make the best use of existing resources, and ensure that those services currently working with the client group are encouraged to work more coherently in order to achieve a successful outcome. Failure to achieve 60 or more people into sustained employment will risk reward money for this stretch target. A total of £435,000	At the beginning of December 2008 there were 271 people registered on the People into Employment Project. Eighteen of these are now in sustained employment (over 16 hours per week for more than 13 weeks), and six have entered work but have yet to reach 13 weeks continuous employment. At the end of Nov 2009 67 people had achieved sustained outcomes with a further 4 in employment but to complete their 13 weeks and another 7 working less than 16 hours per week.

Borough	Employment programmes	Overarching employment support programme	Costings	Outcomes
	employment by March 2010. The project focuses on lone parents and those who have had ill health and been on benefits for more than 26 weeks (Bromley.gov.uk.)		reward money is available if the target of 100 into sustained employment is reached. In addition there are some management overhead costs and purchase of PC etc	
<i>Hammersmith and Fulham</i>	<p><i>White City Opportunity Area</i>-Key employment programmes aimed at lone parents, disabled people and BME groups</p> <p><i>Advice and Employment in Shepherds Bush</i>- drop in centre for those who need advice on benefits, welfare and employment</p> <p><i>HELP- Housing Employment Link Project</i>-linking housing support and employment advice together</p> <p><i>Lone parent housing and employment initiative</i>-pilot initiative that aims to help lone parents who are living in temporary accommodation</p>			
<i>Haringey</i>	<p>The Haringey Guarantee</p> <p>In 2006 Haringey Council and the Enterprise Partnership Board adopted a new strategic approach to tackling worklessness in the borough. The strategic approach has two main tenets: to achieve long-term change we need to stem the flow of new workless and to increase the numbers moving from worklessness into employment. We need to deliver larger interventions which have a narrower focus on core populations.</p>	The Haringey Guarantee-flagship scheme that works with employers, providers and local communities to provide employment and skills for local residents.	<p>The Haringey Guarantee was originally funded through the neighbourhood element of the SSCF, then through NRF and in the last 2 years through the WNF element of the Area Based Grant.</p> <p>WNF funding for the current programme commissioned in April/May 2009 running to March 2011 is £2.4million.</p>	<p>In the period September 2006 when the Haringey Guarantee commenced delivery:</p> <ul style="list-style-type: none"> • 2,212 residents have been engaged and registered onto the programme • 420 residents helped into sustained employment • 615 work placements have been completed • 474 residents have gained qualifications • 38 of the 40 high-risk NEET students from the Northumberland Park School project have progressed and retained

Borough	Employment programmes	Overarching employment support programme	Costings	Outcomes																									
	<p>The Haringey Guarantee is the main delivery vehicle for this strategic approach. The programme offers a guarantee to:</p> <p>businesses that they will be provided with committed trained workers to meet their identified recruitment and skills needs.</p> <p>residents, who are furthest away from the labour market, that they will become more employable through receiving a professional and quality service.</p> <p>The innovative features of the Guarantee are</p> <p>Taking employment advice to where people are, such as GP surgeries, council and neighbourhood offices</p> <p>Working with employers to develop a programme of work placements and guaranteed job interviews.</p> <p>Using volunteering and work placements to build up an understanding of work culture for people out of work for long periods.</p> <p>Targeted interventions at young people approaching school leaving age through enhanced vocational courses and extra support for those most at risk of becoming NEET</p> <p>Targeted interventions supporting long term Incapacity Benefit and JSA claimants back into work</p> <p>The Guarantee is the Haringey Strategic Partnership's flagship programme to tackle worklessness and is the main vehicle for</p>			<p>in work, apprenticeships or college.</p> <p>The 2009-2011 programme interventions are: ABG Haringey Guarantee 2009-2011 – Project Table</p> <table border="1"> <thead> <tr> <th>No</th> <th>Intervention</th> <th>Recommended Organisation</th> <th>Amount Funded</th> <th>Outputs</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Schools mentoring linked to industry & businesses</td> <td>Northumberland Park Community School</td> <td>£250,000</td> <td>250 pupils on enhanced vocational courses; 40 NEET receiving additional support</td> </tr> <tr> <td>2</td> <td>Employment Advice & Job Brokerage (1) – Students nearing end of courses</td> <td>Windsor Fellowship</td> <td>£125,000</td> <td>TBC</td> </tr> <tr> <td>3</td> <td>Employment Advice & Job Brokerage (2) - Newly Unemployed</td> <td>Positive Employment</td> <td>£125,000</td> <td>60 jobs</td> </tr> <tr> <td>4</td> <td></td> <td>Working Links</td> <td>£100,000</td> <td>50 jobs</td> </tr> </tbody> </table>	No	Intervention	Recommended Organisation	Amount Funded	Outputs	1	Schools mentoring linked to industry & businesses	Northumberland Park Community School	£250,000	250 pupils on enhanced vocational courses; 40 NEET receiving additional support	2	Employment Advice & Job Brokerage (1) – Students nearing end of courses	Windsor Fellowship	£125,000	TBC	3	Employment Advice & Job Brokerage (2) - Newly Unemployed	Positive Employment	£125,000	60 jobs	4		Working Links	£100,000	50 jobs
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Borough	Employment programmes	Overarching employment support programme	Costings	Outcomes																																													
	<p>delivering the LAA worklessness stretch targets.</p> <p>A new innovative family dimension to the Haringey Guarantee has been developed recently. The vision for the Families into Work (FIW) project is to improve the life chances of people in Northumberland Park by working with families to identify and provide the services they need for parents to become employed and for children to achieve success in education and develop the skills and desire to obtain work with career prospects.</p> <p>Families into Work is a multi-agency approach in Northumberland Park to address wider social exclusion issues by working intensively with families to improve the life chances of all family members. New services are not being provided but existing service and projects are being co-ordinated and targeted to the families on the project. Thus FIW will not duplicate existing services but seeks to facilitate better use of them.</p> <p>North London Pledge</p> <p>The North London Pledge is a LDA Funded £1.51million integrated employment and skills programme bringing together co-ordinated resident engagement through clear points of access in the 3 boroughs of Enfield, Haringey and Waltham Forest,</p>			<table border="1"> <tr> <td data-bbox="1419 410 1472 565">5</td> <td data-bbox="1476 410 1629 565">Public Services advisers in public sector settings focussed on long term workless</td> <td data-bbox="1633 410 1738 565">Working Links</td> <td data-bbox="1743 410 1808 565">£248,000</td> <td data-bbox="1812 410 1915 565">100 jobs</td> </tr> <tr> <td data-bbox="1419 568 1472 618">4</td> <td data-bbox="1476 568 1629 618">Public Services RSLs</td> <td data-bbox="1633 568 1738 618">Family Mosaic</td> <td data-bbox="1743 568 1808 618">£100,000</td> <td data-bbox="1812 568 1915 618">50 jobs</td> </tr> <tr> <td data-bbox="1419 621 1472 781">5</td> <td data-bbox="1476 621 1629 781">Health Services - advisers in GP surgeries, health centres etc, Condition management programme.</td> <td data-bbox="1633 621 1738 781">NHS Haringey</td> <td data-bbox="1743 621 1808 781">£200,000</td> <td data-bbox="1812 621 1915 781">100 CMP, 50 jobs</td> </tr> <tr> <td data-bbox="1419 784 1472 850">6</td> <td data-bbox="1476 784 1629 850">Volunteering/Work Placements</td> <td data-bbox="1633 784 1738 850">NLPC</td> <td data-bbox="1743 784 1808 850">£125,000</td> <td data-bbox="1812 784 1915 850">150 placements; 30 jobs</td> </tr> <tr> <td data-bbox="1419 854 1472 997">7</td> <td data-bbox="1476 854 1629 997">Vocational Training social care</td> <td data-bbox="1633 854 1738 997">2XL Training Ltd</td> <td data-bbox="1743 854 1808 997">£125,000</td> <td data-bbox="1812 854 1915 997">160 qualification, 150 placements, 45 jobs</td> </tr> <tr> <td data-bbox="1419 1000 1472 1089">8</td> <td data-bbox="1476 1000 1629 1089">Vocational Training - SIA</td> <td data-bbox="1633 1000 1738 1089">Aidevian Consultancy</td> <td data-bbox="1743 1000 1808 1089">£75,000</td> <td data-bbox="1812 1000 1915 1089">80 SIA qualifications and licences</td> </tr> <tr> <td data-bbox="1419 1092 1472 1182">9</td> <td data-bbox="1476 1092 1629 1182">Vocational Training fashion industry</td> <td data-bbox="1633 1092 1738 1182">Fashion Enter</td> <td data-bbox="1743 1092 1808 1182">£60,000</td> <td data-bbox="1812 1092 1915 1182">50 skills; 20 jobs</td> </tr> <tr> <td data-bbox="1419 1185 1472 1274">10</td> <td data-bbox="1476 1185 1629 1274">Employer/Business Engagement</td> <td data-bbox="1633 1185 1738 1274">KIS Training Employer Zone</td> <td data-bbox="1743 1185 1808 1274">£100,000</td> <td data-bbox="1812 1185 1915 1274">200 businesses engaged with HG,</td> </tr> <tr> <td data-bbox="1419 1278 1472 1318">11</td> <td data-bbox="1476 1278 1629 1318">Haringey Guarantee</td> <td data-bbox="1633 1278 1738 1318">Ecotec</td> <td data-bbox="1743 1278 1808 1318">£60,000</td> <td data-bbox="1812 1278 1915 1318">Quarterly, interim and</td> </tr> </table>	5	Public Services advisers in public sector settings focussed on long term workless	Working Links	£248,000	100 jobs	4	Public Services RSLs	Family Mosaic	£100,000	50 jobs	5	Health Services - advisers in GP surgeries, health centres etc, Condition management programme.	NHS Haringey	£200,000	100 CMP, 50 jobs	6	Volunteering/Work Placements	NLPC	£125,000	150 placements; 30 jobs	7	Vocational Training social care	2XL Training Ltd	£125,000	160 qualification, 150 placements, 45 jobs	8	Vocational Training - SIA	Aidevian Consultancy	£75,000	80 SIA qualifications and licences	9	Vocational Training fashion industry	Fashion Enter	£60,000	50 skills; 20 jobs	10	Employer/Business Engagement	KIS Training Employer Zone	£100,000	200 businesses engaged with HG,	11	Haringey Guarantee	Ecotec	£60,000	Quarterly, interim and
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Borough	Employment programmes	Overarching employment support programme	Costings	Outcomes																				
	quality inductions/assessments linked to clear pathways into employment including pre-employment skills training including Basic Skills, skills development, work trials and placements, a condition management programme, job brokerage and post-employment in- work support			<table border="1"> <tr> <td>Evaluation</td> <td></td> <td></td> <td>final reports</td> </tr> <tr> <td>Haringey Guarantee</td> <td></td> <td>£60,000</td> <td>Quarterly reports; monitoring visits</td> </tr> <tr> <td>12 Monitoring</td> <td>GLE</td> <td></td> <td></td> </tr> <tr> <td>Employment Action Network outreach, initial assessment & 13 action planning</td> <td></td> <td>£100,000</td> <td>200 Employment Support outputs; 50 jobs</td> </tr> <tr> <td></td> <td>LBH</td> <td></td> <td></td> </tr> </table> <p>Families into Work – engaged with 100 families</p>	Evaluation			final reports	Haringey Guarantee		£60,000	Quarterly reports; monitoring visits	12 Monitoring	GLE			Employment Action Network outreach, initial assessment & 13 action planning		£100,000	200 Employment Support outputs; 50 jobs		LBH		
Evaluation			final reports																					
Haringey Guarantee		£60,000	Quarterly reports; monitoring visits																					
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Employment Action Network outreach, initial assessment & 13 action planning		£100,000	200 Employment Support outputs; 50 jobs																					
	LBH																							
<i>Havering</i>	<p><i>Jobnet</i> - help for over 18s trying to find employment. The council provides professional advice and guidance in all aspects of job searching from writing a CV; giving advice on suitable careers; providing facilities for job search through to providing help with completing application forms and preparing for job interviews. It can also offer voluntary work placements to practice or enhance skills before starting formal work.</p> <p><i>The Apprenticeship Scheme</i></p>		2008/2009 delivering service costs = £79,000. This is funded £64,000 from LDA and £15,000 from council regeneration revenue budget	<p>In 2006/7, the Havering Jobnet programme is expected to deliver the following outputs:</p> <ul style="list-style-type: none"> • 286 people to receive help finding work (employment support) • 95 people being trained in job seeking skills • 142 people to access jobs through the service • 35 people to remain in employment for at least 13 weeks <p>33 employers to advertise job vacancies with the service. The cash cost of these interim arrangements will be £36,529.98 (£6,088.33 per month for six months). This consists of £5,500 per month paid to Strategic Urban Futures Ltd and £588.33 per month internal transfer for accommodation at the PASC.</p>																				
<i>Tower Hamlets</i>	<p><i>Skillsmatch</i>- free recruitment agency for those living in Tower Hamlets.</p> <p>Service provides job brokerage to local</p>		The Skillsmatch service employ 31 staff and costs £1.7 million per year, 25% of which is provided by Tower Hamlets Council; the Council has been	April 2009: Record-breaking year for the scheme which has helped more 612 Tower Hamlets people into sustainable employment over the																				

Borough	Employment programmes	Overarching employment support programme	Costings	Outcomes
	<p>residents by up-skilling via appropriate industry standard training and placing into sustainable employment. It is a job brokerage service that aims to link up unemployed residents with local employers.</p> <p>The scheme is run as part of the Employment Task Group (a subgroup of the Local Strategic Partnership) and works with a number of organisations including Tower Hamlets College, Connexions, NHS Trust and Job Centre Plus.</p>		<p>successful in leveraging in the remaining 75% of the costs from external funders.</p>	<p>last 12 months and 6,100 since its launch in 1997. In addition;</p> <p>240 beneficiaries completed our Transitional Employment Programmes and done a work placement of between 10-16 weeks.</p> <p>Almost 86% per cent of those who attend TEP went onto employment and more than 80% of those were employment after six months. This retention rate is significantly higher than for other similar programmes.</p> <p>Skillsmatch is the lead partner in Tower Hamlets Single Point of Access programme which resourced via funds ring fenced for east and south east London City Strategy Pathfinder project, during 2008/09 the partnership placed 669 workless residents into employment.</p> <p>As the Council's local labour scheme the Skillsmatch service also broker Olympic opportunities in Tower Hamlets and via the Local Employment and Training Framework (LETf) have trained 1070 people into construction related training , achieved 159 level 2 qualifications and placed 325 people into Olympic related job(financial years 2007/09).</p>

In **West London** the LDA funded four programmes with two Skills and Jobs programmes. The programmes were designed to deliver LDA outputs - jobs created, jobs safeguarded, people assisted to get a job, skills development and businesses supported.

The four Area Programmes in West London were:

- Routes to Work - led by Heathrow City Partnership
- Wembley / Park Royal Jobs and Skills
- Wembley / Park Royal Business Support Programme
- White City Area Programme

The programmes were successful at moving people into work. A survey of 400 beneficiaries suggested that across the four programmes, 38 per cent of those people who were unemployed before receiving support through the programmes moved into employment following the programme.

All four West London Area Programmes were extensions of the previous LDA Area Programmes which ran for three years until 2007. However it was made clear at the start that these two-year extensions would not receive further LDA funding in 2009. The sustainability of these Area Programmes in the same form was therefore never intended. Indeed the LDA's intention was that during this funding period, the boroughs and partnerships leading these programmes would develop effective exit strategies and if necessary would sustain core activities through alternative investment.

This has largely taken place, more successfully in terms of the two borough-led programmes: White City Area Programme and Wembley / Park Royal Jobs and Skills. Each of the White City Area Programme delivery partners were helped to develop an exit strategy, and some but not all organisations that delivered projects have been successful in securing funding from other sources to continue providing employment services.

Proposed changes via Multi Area Agreement – Tower Hamlets

The aim is; to increase prosperity and reduce child poverty by achieving a fundamental improvement in the outcomes of the employment and skills services in the 5 Boroughs.

Within this our priorities will be;

- Reduce worklessness
- Raise skills levels
- Improve retention, progression and earnings for people in work
- To ensure those people in work fairly represent the demography of the 5 Boroughs

As part of this, we need to ensure that our residents do not feel that they must or should move out of our boroughs once they become employed. This is covered in our Housing and Developing Communities theme.

Commissioning worklessness and skills programmes

Our sub-regional work on a commissioning strategy and joint investment programme [has] identified that we need a sub regional context for worklessness and skills procurement. The aim being to establish a clear focus for all partners, both national and local, over a unique period of regeneration.

All delivery boundaries should align with the 5 Boroughs and we should develop a shared set of metrics to measure performance across this geography.

Provision should be simplified. There should be fewer projects and eligibility criteria should be broadened to enable more people to have access to provision.

On both skills provision and employment services, we will provide the adviser network with the ability to commission appropriate services at the point of delivery if they do not exist in the local infrastructure.

We will work with LSEB to ensure that funding from for skills and worklessness, (which has traditional been provided through the LSC and the LDA) is better tailored to fit the needs of the 5 Host Boroughs, by agreeing a joint investment plan.

We will simplify the landscape by reducing the number of individual mechanisms. In support of this, we propose a number of partnership projects tackling key issues, which would replace multiple responses to commissioning exercises

We will work with the LSEB by putting into effect the London wide strategy they have established to meet the needs of the local boroughs.

We will co commission employment services with DWP. In particular, we would like to explore options on the Flexible New Deal, with the aim of establishing local delivery through local commissioning.

We would like to have a clearer view of the performance of Jobcentre Plus and its partners locally. We will take a role as appropriate in the totality of provision. We would welcome the 5 Host Boroughs being aligned to one Jobcentre Plus district.

We will establish a portfolio of programme provision which supports skills and worklessness and moves us away from short term regeneration projects.

Increasing Access and Joining up Services (already established as a pilot to be extended from April 2009)

We will expand and enhance our 'Single Points of Access' to establish it as the way we deliver services to the most disadvantaged people in East London. We would like to keep the DAF funding we have been allocated beyond March 2009 (which is when it was originally allocated to) and to supplement this with funding from other local sources extending the infrastructure we have built for a further 2 years to March 2011. With the aim of establishing Single Points of Access within our over overall portfolio of programme provision from 2011/12.

Alongside this, we will integrate the vocational ESOL for parents pilot we are putting place for DWP, which we will run until March 2011.

We would like to work with the Child Poverty Unit to explore how we can extend the Single Points of Access(SPA), to reduce child poverty levels. We would like to explore;

- building linkages between children's services and traditional employment teams.;
- improving capacity in adviser networks and introducing quality standards for advice and guidance in services which do not traditionally include worklessness;
- Providing incentives to poorer families.

and would invite that Department to set some stretching performance targets with us. We are also interested in working with treasury on incentives for poorer families and would like support for an initiative we have negotiated with

We had anticipated broadening a bid to the innovation pilots but this process is not lending itself to partnership working and we would prefer to develop proposals through the MAA itself.

APPENDIX 5 - EFFECTIVENESS OF NATIONAL INITIATIVES IN CHOSEN LONDON BOROUGHES

Table A9 Estimates of Jobcentre Plus performance, December 2007 - February 2008.

	All customers			Lone Parents			People with a Health Condition or Disability (PHCD)			Other Inactive Benefit Customers			Customers on New Deal or claiming JSA for over six months			Customers claiming Jobseekers' Allowance for under 6 months		
	Job Outcomes	Total Customers	% of Job Outcomes	Job Outcomes	Total Customers	% of Job Outcomes	Job Outcomes	Total Customers	% of Job Outcomes	Job Outcomes	Total Customers	% of Job Outcomes	Job Outcomes	Total Customers	% of Job Outcomes	Job Outcomes	Total Customers	% of Job Outcomes
Central London	795	36,237	2.19%	109	4,623	2.36%	99	13,163	0.75%	28	2,560	1.08%	163	4,035	4.04%	273	11,855	2.30%
City and East London	1,211	41,697	2.91%	155	6,203	2.49%	100	12,550	0.79%	37	3,430	1.08%	272	3,715	7.32%	388	15,798	2.46%
Lambeth, Southwark and Wandsworth	1,298	39,567	3.28%	220	5,863	3.75%	131	11,987	1.10%	48	2,457	1.97%	255	4,558	5.59%	399	14,702	2.71%
North and North East London	2,318	78,687	2.95%	331	12,197	2.71%	236	22,800	1.04%	91	5,737	1.58%	474	7,564	6.26%	771	30,390	2.54%
South London	2,612	75,612	3.45%	392	11,307	3.46%	287	22,790	1.26%	121	5,517	2.19%	432	5,983	7.22%	910	30,015	3.03%
West London	2,119	58,535	3.62%	272	8,500	3.20%	216	18,570	1.16%	88	4,467	1.96%	402	4,440	9.05%	705	22,558	3.13%
London Total	10,353	330,335	3.13%	1,478	48,693	3.04%	1,068	101,860	1.05%	412	24,167	1.71%	1,997	30,295	6.59%	3,445	125,318	2.75%
National	94,444	2478423	3.81%	9,427	245,347	3.84%	12,292	867,847	1.42%	4,735	194,000	2.44%	15,099	192,527	7.84%	36,733	978,703	3.75%

Source: DWP, Jobcentre Plus

Table A10 Effectiveness¹ of national initiatives in the six chosen London boroughs: Brent, Bromley, Hammersmith and Fulham, Haringey, Havering, Tower Hamlets.

	<i>Programme¹</i>									
	JCP outcomes per month Dec 2007 - Feb 2008		NDYP - 2008		ND25+ - 2008		NDLP - 2008		EZ - 2008	
Borough	<i>No of jobs</i>	<i>Effectiveness</i>	<i>No of jobs</i>	<i>Effectiveness</i>	<i>No of jobs</i>	<i>Effectiveness</i>	<i>No of jobs</i>	<i>Effectiveness</i>	<i>No of jobs</i>	<i>Effectiveness</i>
Brent	509	3.62	300	38.46	20	16.67	110	32.35	2310 ²	38.06
Bromley	990	3.45	260	40.63	180	28.13	520	37.68		
Hammersmith and Fulham	307	3.62	330	49.25	300	43.48	320	52.46		
Haringey	1291	2.95	420	38.39	30	7.69	130	61.9	2310 ²	38.06
Havering	720	2.95	230	43.4	100	30.3	330	42.86		
Tower Hamlets	1194	2.91	470	45.19	0	0	0	0	1760	36.59

Data on New Deal for Disabled People unavailable on a borough level. New Deal 50+ and New Deal for Partners has too few starters and job outcomes to give meaningful results.

¹ Effectiveness is measured by taking the estimated job numbers and expressing them as a percentage of the total number of customers.

² Brent and Haringey combined

APPENDIX 6 – CALCULATING THE COST OF HOUSING AND COUNCIL TAX BENEFIT PAYMENTS TO WORKLESS PEOPLE.

Appendix 1, Table A5 gives weekly expenditure figures for Jobseekers' Allowance (JSA), Incapacity Benefit (IB) and Severe Disablement Allowance (SDA), and Income Support (IS) all benefits paid to workless individuals. In addition, Housing Benefit (HB) and Council Tax Benefit (CTB) are paid to workless people, people in employment who are low paid and older retired people with low incomes. Hence we need to generate an estimate of the part of HB and CTB expenditure which goes to workless people. The following paragraphs describe how this was done.

Data on housing benefit claims by local authority district (LAD) broken down to 'passport' benefits and non-passported benefits are available from the Department of Work and Pensions (DWP). Passport benefits are housing benefit claims by people of working age claiming other income related benefits such as JSA and IS and also older people in receipt of Pension Credit (PC). Non-passported claims are simply those made by people not in receipt of one of these income related benefits. In the case of working age families, non passported claims will almost always include a member of the household who is working. There are also a small number of HB claims whose passported / non-passported status is unknown. Hence the first step in our approach is to adjust this data at the LAD level so that we have a series for housing benefit claims where these 'unknown' claims are allocated to the passported / non-passported statuses in proportion with the distribution of HB claims where this status is known. So for example, if two thirds of the known HB claims are passported and one third are non-passported then this small number of unknown claims is allocated two-thirds as passported and one-third non-passported.

Unfortunately HB data at the LAD level is not published by both passported / non-passported status and by working age / older age together. However using data at the national level we are able to deduct PC passported HB claims from total passported claims to generate the number of passported claims made by people of working age. This shows that around 65% of passported HB claims nationally are made by people of working age. Similarly at the national level we can calculate that again around 65% of non-passported housing benefit claims are made by people of working age.

We apply these percentages to our series for passported and non-passported benefits for each London borough to obtain an estimate at the borough level of the number of working age passported and non-passported benefit claims. When added together to give an estimated number of working age housing benefit claims the resulting estimates are very close to the figures given in Table A3. Hence this approach appears to give a very good estimate the number of housing benefit claims by borough. Finally, we scale these estimates of working age passported and non-

passported claims so that their sum exactly matches the official figures for total HB and CTB claims to people of working age given in Table A3.

At the national level we derive an estimate of the average weekly HB payment to people of working age with passported HB claims by deducting the spend on PC passported claims from that on total passported claims. This is then divided by the estimated number of working age passported HB claims to derive an estimate of the national average weekly payment to people of working age with a passported HB claim. A similar approach is used to derive an estimate of the national average weekly payment to people of working age with a non-passported claim.

These average national payments are then applied to the respective borough numbers for people of working age with passported and non-passported claims to give an estimate of weekly HB expenditure on working age passported and non-passported claims. When added together this gives estimates of the weekly expenditure on working age HB claims by London borough. Given that rent levels and so HB payments in London are much higher than nationally, our estimates of working age HB expenditure are around 18% lower than the estimates set out in Table A5. Hence the final step is to scale our estimates up to the borough level figures in Table A5. We now have estimates of weekly housing benefit expenditure made to people of working age with passported claims (workless) and those with non-passported claims (employed). At the London level this gives weekly HB expenditure of £36.5 million to workless people and £15.0 million to people who are employed.

The equivalent process to that described above is undertaken for CTB. For London, this gives estimates of weekly CTB payments of £4.8 million to workless people and £1.4 million to employed people of working age.
