

Getting London Working

An executive summary



LONDON
COUNCILS

Executive Summary

Since the recession began, London's job market has been relatively resilient. The number of jobs in London's economy has grown and exceeded five million for the first time in its history. However, unemployment in the capital remains unacceptably high and rates of long-term job seekers are increasing.

London has a vast and varied economy, however Londoners face a distinct set of challenges in accessing the labour market, not least because programmes designed to help people find work have been less effective in London relative to the rest of the UK. Most employment support programmes are designed at the national level and this does not allow for local integration, leads to complexity, can deter local employment support specialists and inhibit data sharing. This means Londoners are missing out on the support they require to help them access jobs.

London Councils wants all Londoners to benefit from the capital's ability to generate jobs. This means designing programmes of support that meet the needs of individual job seekers and gets them job ready and back to work.

Employment support in London:

In London, up to £8 of every £10 spent on employment support is designed and delivered according to national guidelines. Some of these programmes are not reaching their minimum expected performance levels. Mainstream employment programmes need to improve their performance in London.

Studies into employment provision suggest that programmes that deliver personalised, tailored, local support will achieve better outcomes in attaining sustained employment for individuals. While the government has made this an ambition of its employment programmes, it is not translating into practice. Planning at a national level for local circumstances is not providing the best outcomes for local people. In comparison, boroughs are well placed to understand the needs of local people to access the labour market and the needs of local business from their workforce.

Evidence shows better outcomes for local employment support:

The evidence in this report provided by national data sets and local evidence, shows clearly that the best results come from designing programmes locally. At present, some national models of employment support are delivering in the region of 4 per cent success; locally designed programmes are achieving levels of 25 per cent and more.

The North London Pledge, based across four London boroughs, was commissioned and delivered locally. It got 26 per cent of referred clients into work for six months or more. It was working with a similar client group and over a similar period to the Work Programme that achieved only 3.6 per cent of referred clients into work for six months or more.

It is critical to act swiftly; long term unemployment can have a detrimental effect on people's livelihoods. May 2013 will see the next release of Work Programme data and unless there is marked improvement in the outcomes the government should consider radically shifting employment support to become far more local in its design and delivery.

London Councils 10 point plan sets out immediate, medium and long term recommendations that move towards a model that gets more Londoners back to work. In this new model, £8 out of every £10 is delivered and commissioned according to local need. We think this will provide the improvement in performance that is needed for local people.

Immediate Actions

- 1. DWP should reconsider data sharing rules regarding employment provision.** Management information which aids the design and delivery of employment support should be shared among professionals at all levels. Boroughs need a clearer idea on who in their area is accessing employment support, what types of benefits they are claiming and what provision is working.
- 2. BIS, GLA and DWP should provide a commitment to meaningful local engagement on the design of 2014 – 2020 European Social Fund.** It is extremely difficult for ESF provision via national Co-Financing Organisations (CFOs) to be responsive to city-wide or local level circumstances. The Mayor and DWP should work closely with London Councils to develop an agreed London-wide ESF Framework to set priorities for all ESF programmes.
- 3. Prime providers should sign-up to London Councils suggested minimum engagement levels.** London Councils has been encouraging Prime providers to work more closely with boroughs since the start of the Work Programme. DWP should support our proposed 'minimum engagement levels' and encourage all Primes to sign up and uphold these minimum levels of engagement.
- 4. DWP should devolve 'DWP ESF Families with Multiple Problems' underspend to groups of boroughs.** The underspend in the 'DWP ESF Families with Multiple Problems' budget should be devolved to groups of boroughs to design a local service which meets local needs.

Interim Actions

- 5. DWP should hold failing providers to account.** The next set of performance data published in May 2013, should give the DWP a better idea about companies that may go out of business or providers that should have contracts terminated. In cases where contracts may be terminated, we would encourage DWP to think radically and consider the devolution of these contracts to groups of borough or co-commission new contracts jointly with boroughs
- 6. JCP should devolve or co-commission flexible support fund.** The JCP's flexible support fund is a vital tool in commissioning support to address gaps in provision between partners working on employment support in a local area. Devolving or co-commissioning it would ensure best use of resources for local people.
- 7. Future 'families' programmes should be designed and delivered locally.** Any future programmes which involve a holistic 'family' response to employment support should be designed and delivered locally. Boroughs are likely to already be engaged with these families and have the expertise and links to best support them.
- 8. Ambitious, outcome driven and clear Service Level Agreements should be drawn up between boroughs and JCP.** The JCP in London has been proactive in initiating Service Level Agreements with all London boroughs. We encourage JCP and Primes to be ambitious in the development of these agreements whilst remaining locally focussed and demonstrating tangible pathways about how the targets will be achieved.
- 9. Support Work Programme Leavers.** From June 2013 onwards, people will start leaving Work Programme provision. Estimates are that around half will leave without a job. JCP is already considering what provision it might offer these claimants. Provision must be more responsive to local circumstances and working with boroughs can better integrate pan-London and local strategies around employment support.

Long Term Actions

- 10. DWP should localise all future employment support programmes.** The funding for future DWP employment programmes should be devolved in a 'single pot' to boroughs or groups of boroughs to work in local partnerships to commission locally relevant employment support. Since the recession began, London's job market has been relatively resilient. The number of jobs in London's economy has grown and exceeded five million for the first time in its history.