



Altogether better
West Cheshire

Business Plan Executive Summary

Work Ready Individuals

NOTE

The following business plan provides a whole-system approach which will support more individuals to make the transition from unemployment to employment, develop skills and assist in job progression. The new delivery model includes the co-location and integration of local and national agencies in specific neighbourhoods, a new offer of support to address the varying needs of jobseekers and a new model of governance which ensures more responsive employment and skills services reflecting the local needs of residents and employers. It has been estimated that this approach will result in an incremental saving of £4.5m p.a. as fewer individuals require out-of-work benefits and make the transition to the workplace.

The proposals in this document have been developed jointly with partners. They are based on the collection and review of a large amount of information and data from many sources. They set out new and different ways of working for all West Cheshire partners and as such will be subject to detailed agreement in the future, following further consultation and testing. These proposals will therefore be subject to further development and change.

Project Information

Project Title:	Working Well	-	Work Ready Individuals
Work stream Sponsors	Janet O'Connor John Newton-Jones	-	Job Centre Plus Private Sector Representative
Work stream & Project team members	Colin Billingsley Amanda Ridge Jon Amos Caroline Thomas		Nigel Richardson Geoff Ashton Margaret Jackson

1. Executive Summary

- 1.1 ***The following business plan provides a whole-system approach which will support more individuals to make the transition from unemployment to employment, develop skills and assist in job progression. The new delivery model includes the co-location and integration of local and national agencies in specific neighbourhoods, a new offer of support to address the varying needs of jobseekers and a new model of governance which ensures more responsive employment and skills services reflecting the local needs of residents and employers. It has been estimated that this approach will result in an incremental saving of £4.5m p.a. as fewer individuals require out-of-work benefits and make the transition to the workplace.***

The community budget approach

- 1.2 Securing sustainable employment and a good level of skills are central to economic success and a high quality of life. Despite many examples of good practice across West Cheshire, services designed to enhance employment and skills outcomes do not always work closely together and consider the wider issues that need to be addressed to ensure individuals are work-ready. With the onset of Welfare Reform there is an opportunity and willingness for partners to work together and put the customer at the heart of delivery. This whole system approach is firmly in community budget territory and requires moving from a position of complexity towards an environment where resources can move across silos to achieve the best outcomes for residents and wider communities.

Understanding Work Ready Individuals in West Cheshire

- 1.3 West Cheshire performs better than the North West and England on levels of employment, skills and most economic indicators, with the exception of earnings. This high performance however masks growing unemployment amongst young people, the over 50s and pockets of deprivation where unemployment rates are

much higher than the national average. West Cheshire's population is ageing faster than the national average, which means that there is a potential future labour shortage unless we ensure that all those of a working age are suitably qualified and in employment.

The current approach to Work Ready Individuals

- 1.4 Currently provision is delivered across twelve main providers and numerous other supporting agencies, many of which are dealing with the same customers in an uncoordinated way. Each organisation's assessment and interventions are based on the best knowledge they have of the citizen. However, this is often insufficiently comprehensive to provide a rounded view of individual citizens, the challenges they face and their family context. There is also currently a disconnect between the world of work and those seeking work, with no clear mechanism for linking supply with demand. This means that employers struggle to source people with the appropriate skills and individuals are unable to find jobs as they do not have the requisite skills for the labour market. This often results in employers looking outside West Cheshire to fill their vacancies.
- 1.5 Against the background of local unemployment and system issues, the forthcoming implementation of the Welfare Reform Act will introduce significant change. In particular, it is anticipated that changes with regard to Universal Credit and the ongoing roll out of Work Capability Assessments introduced under the Act will pose a complex set of challenges.

Towards a New Delivery Model

- 1.6 The Work Ready Individuals project has been specifically designed to respond to the challenges and opportunities within the West Cheshire economy. The key local and national organisations that formed a partnership team to consider and address these issues include:
- expertise from the Department for Work and Pensions (DWP)
 - JobCentre Plus (JCP)
 - Cheshire West and Chester Council (CWaC)
 - Skills Funding Agency (SFA)
 - Private Sector businesses
 - local colleges
 - voluntary and community sector (VCS).
- 1.7 This group agreed the following key outcomes for West Cheshire on which a new model of service delivery would be based:
- Reduced unemployment and reduced volumes of benefits, including: Jobseekers Allowance, Employment & Support Allowance and Income Support claimants.
 - More people will be 'work ready'.
 - A range of organisations focused around a common definition of work readiness.
 - A more resilient workforce with people in work for longer with fewer and shorter episodes of unemployment.

- Local skills provision will be responsive to the demand of employers and businesses.
- The model will not exceed current costs.

- 1.8 It is recognised that any proposal would need to be closely integrated with the Welfare Reform agenda and work within the grain of emerging policy. This would allow better understanding of the risks and impacts of the proposed changes and any challenges that they may present.
- 1.9 This project complements the Economic Growth Strategy which focuses on the demand side issues of employment and skills, with the Work Ready Individuals project addressing the supply side. From the outset, these two aspects have been closely linked, as demonstrated in the new delivery model.
- 1.10 Proposals in the Economic Growth strategy, including the Business Hub and Apprenticeship Hub are referred to throughout this document but the detail and costs are outside of this Business Plan.

Learning from what works

- 1.11 Research has been undertaken to identify best practice in other areas of the country and these findings have also been incorporated into the design of the new delivery model. Examples of good practice include those supported through Working Neighbourhood Fund (WNF) and City Strategies and also the DWP Worklessness Co-design programme.

Understanding the customer

- 1.12 It was recognised that a key factor in helping to achieve our outcomes would be to engage directly with job seekers. This was undertaken through a combination of focus groups and questionnaires. The focus groups explored the sort of service that would be most helpful for clients (particularly for those over the age of 50), where it should be located and which partners should deliver it. The feedback from this has been integrated into the new delivery model.

The New Approach in Practice

- 1.13 To meet the challenges and our proposed outcomes, partners have designed an integrated employment and skills model which will co-locate employment and skills advisers from a range of agencies in central accessible locations. It will provide specialist teams of trained advisers to support the needs of targeted groups in community or college locations and develop shared processes to support clients through their customised journey to work.
- 1.14 The key elements of the model include:
- Targeting resources for all job seekers appropriate to needs.
 - Providing people with the skills needed by employers.
 - Integrating employment and skills with other services to meet the needs of citizens with the most complex needs.
 - Providing an offer to a wider client base including lone parents and long term unemployed within the existing resource envelope.

- Providing access to universal provision for those not currently in receipt of benefits.

1.15 Existing resources impact will be maximised through the following new co-ordinated service provision:

- A Mutually Accountable Partnership (MAP) – integrated within our new governance model for West Cheshire, to ensure key linkages are operating effectively at a strategic level.
- Business and Apprenticeship hubs – to ensure people have the skills that correspond with the needs of the labour market.
- Four Employment and Skills Hubs – to provide streamlined employment and skills support for all job seekers across West Cheshire. Tailored offers will be provided for different cohorts of job seekers following the development of a sophisticated segmented approach.
- Tailored offers for young people, people over 50 and to the long term unemployed will supplement a core offer of integrated support for all job seekers and links to business provided within each hub.
- Specialist teams of employment and skills advisers to provide the link with existing wrap around support in areas such as financial management/debt advice, housing advice etc.
- Support for the Specialist Case Commissioning Team who will provide an integrated service for families with the most complex barriers.

The New Culture

1.16 This exciting yet deliverable approach represents a significant opportunity to change the way that agencies currently work together. There is potential to build, at its heart, a new customer focused and integrated culture which will provide a step change in outcomes at no additional cost. The model provides a powerful driver to draw multiple agencies together around common objectives, promoting a common business culture and acting as one cross-cutting organisation focused around citizens within a 'place'. A practical example of this is that the model embraces the DWP Welfare to Work reforms through introducing Work Programme providers as key partners and also provides a platform to enable the roll out of Welfare Reform/Universal Credit.

Towards a New Financial Model

We will use only existing funding

1.17 A key financial headline is that this project will not require additional investment from any agency and will be delivered within existing cross agency funding and staffing resources. This currently stands at an aggregate of £7.98m across the agencies in the region (including property costs).

Increased and measurable success

1.18 The success of the proposed model can be represented and measured through many performance metrics. For example, the proposed model is forecast to increase the current success of claimants leaving Jobseekers Allowance and deliver the current stretch target set by JCP across the region. The project has set

improved targets to the current model across other benefit claimants and metrics. These are detailed in the Cost Benefit Analysis (CBA) but are summarised in the table below:

Claimant Type	Current Delivery / deadweight (volume)	Target Delivery (Volume)	Increase above deadweight
Jobseekers Allowance	2,007	2,148	141
Employment Support Allowance	66	132	66
Incapacity Benefit	188	376	188
Lone Parent Support	50	~	50

Table 1: Summary of Cost benefit Analysis

- 1.19 The overall savings to the public purse and additional economic and social benefits when the new delivery model is fully implemented are significant. It is estimated that the model will utilise the existing £7.98m cost envelope more efficiently and deliver an overall fiscal saving to the public purse by **£4.58m per annum**. It is anticipated that the new model will be fully implemented and the associated savings will be fully achieved by year 3. In addition to the fiscal savings, estimated economic benefits of £1.17m can be generated from increased levels of skills and employment in the region.
- 1.20 The fiscal savings accrue to the Treasury from a reduction in benefits spend with other public service savings related to health, crime and increased economic productivity impacting locally.
- 1.21 It is also recognised that costs associated with welfare reform, such as the impact on housing associations, will be better managed through this approach.
- 1.22 The table below summarises the ongoing incremental savings generated from the new delivery model when fully implemented (year 3), by claimant type and the Agencies that will benefit from these savings:

Claimant Type	DWP £'000 saving p.a.	Police £'000 saving p.a.	NHS £'000 saving p.a.	Total £'000 saving p.a.
Jobseekers Allowance	287	305	64	656
Employment Support Allowance	470	508	298	1,275
Incapacity Benefit	1,346	802	171	2,318
Lone Parent Support	277	32	22	331
Total	2,379	1,646	554	4,580

Table 2: incremental savings of the new delivery model

*the breakdown of the figures do not equate to some of the totals due to rounding.

Additional locally realised efficiencies

- 1.23 By co-locating and integrating processes, the proposed model will deliver additional efficiencies through increasing capacity, streamlining processes, removing duplication and reducing the amount of time that claimants remain on benefits.
- 1.24 Although delivering efficiencies by reduced premises and accommodation costs through co-location is not a primary objective of the new delivery model, it is recognised that these secondary objectives could also be delivered. It is also recognised that there may be investment required to the estate to ensure locations are fit for purpose, once the investment has been identified, investment agreements will need to be determined.
- 1.25 The estimated costs and benefits associated with co-location have been included as part of the financial appraisal of this proposal but it is recognised that the primary benefit to the Treasury will be generated from reduced unemployment and reduced volumes of benefits, and not through reduced accommodation costs.

Dialogue with Government

- 1.26 The proposals have been co-designed between Whitehall and local partners. It is requested that this relationship and dialogue continues particularly to ensure a whole system approach which complements national programmes such as the Work Programme, Youth Contract, and skills provision.

Moving to implementation

- 1.27 Partners are fully committed to making these proposals a reality. The new model will be phased-in from April 2013. The success of the implementation on the ground will enable the new approach to evolve and broaden in scope.