



## Annex 1

# Background information

**Analysis of long term unemployment (the population & provision) – slides 2-14**

**Summary of challenges - slide 15**

**Four strategic options for the Council – slides 16-21**

**Housing, Finance & Corporate Services Policy Committee, 13<sup>th</sup>  
June 2016**

# Analysis

## Breakdown of long term claimants in Westminster

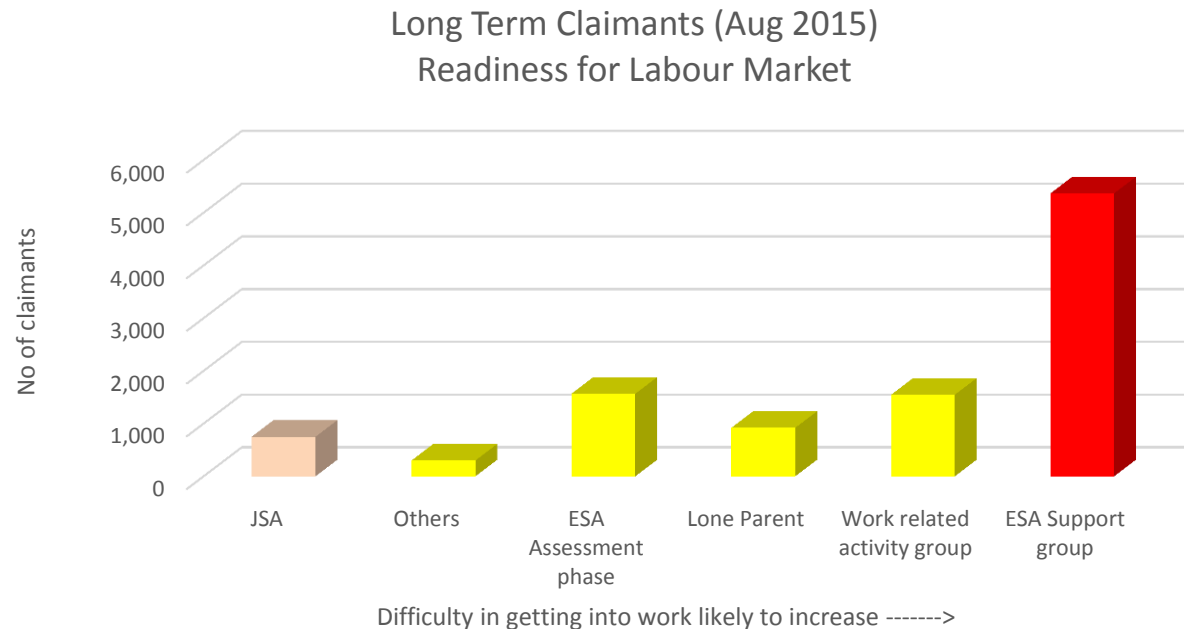
| Benefit Statistical Group          | February 2015 | August 2015   | Changes - Aug 2015 - Feb 2015 |
|------------------------------------|---------------|---------------|-------------------------------|
| <b>Total</b>                       | <b>11,040</b> | <b>10,680</b> | <b>360</b>                    |
| Jobseekers Allowance (JSA)         | 840           | 750           | 90                            |
| Employment Support Allowance (ESA) | 8,870         | 8,710         | 160                           |
| Lone Parent                        | 990           | 920           | 70                            |
| Others                             | 340           | 300           | 40                            |

- Latest data available is August 2015. This represents a 6 month period after the baseline data, but pre-dates by a month the start of the City for All target
- In these 6 months there has been an overall **reduction** in long term claimants of **360** – or about **10%** of the overall reduction required to meet the 3 year target
- In the six months big % reductions have been seen in the JSA, Lone Parent and Other claimants but the ESA group, which represent 84% of the Long-Term cohort has been only slightly reduced.

# Analysis

## Forecasting changes in long term unemployment

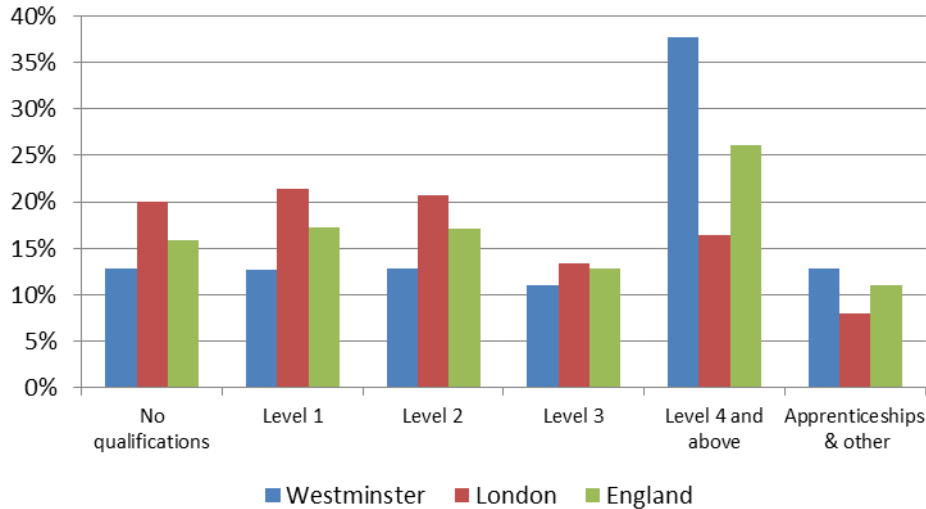
- Whilst it has been possible to reduce long-term claimants of JSA and Lone Parents into work – reducing the ESA group is ***much*** harder
- It is potentially unlikely that the rate of reductions of JSA and Lone Parents can continued for three years as a high proportion of the cohort remaining will be further entrenched from work – for some because of personal circumstances (especially the Lone Parent group), work may not be a preferred option at the moment
- To get closer to the target a fundamental shift in ESA numbers are required – this cohort forms over 80% of the long-term claimants left in August 2015.



# Analysis

## Comparative analysis - qualifications and tenure

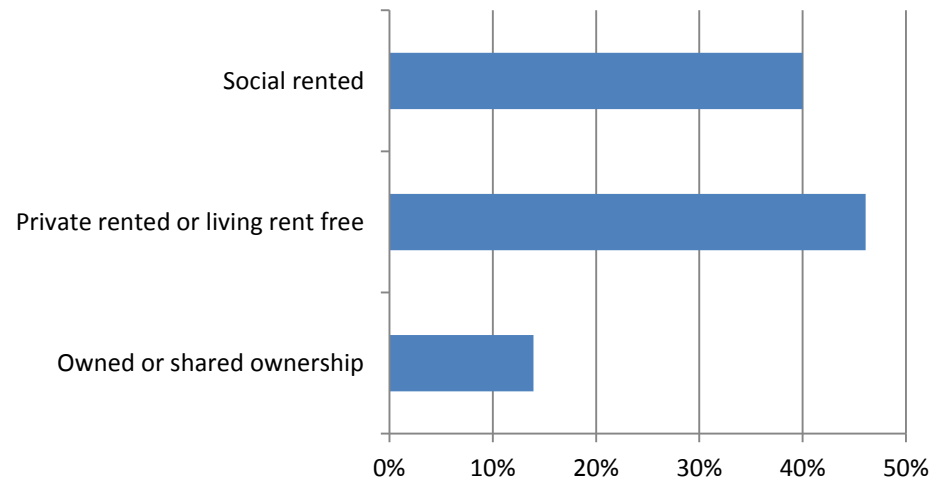
% of Unemployed Residents by Highest Level of Qualification



Westminster's unemployed are much more likely to be well qualified – although many qualifications from abroad may not have the same traction in the UK.

A high proportion of unemployed residents live in private renting (high mobility) and social sector (low mobility).

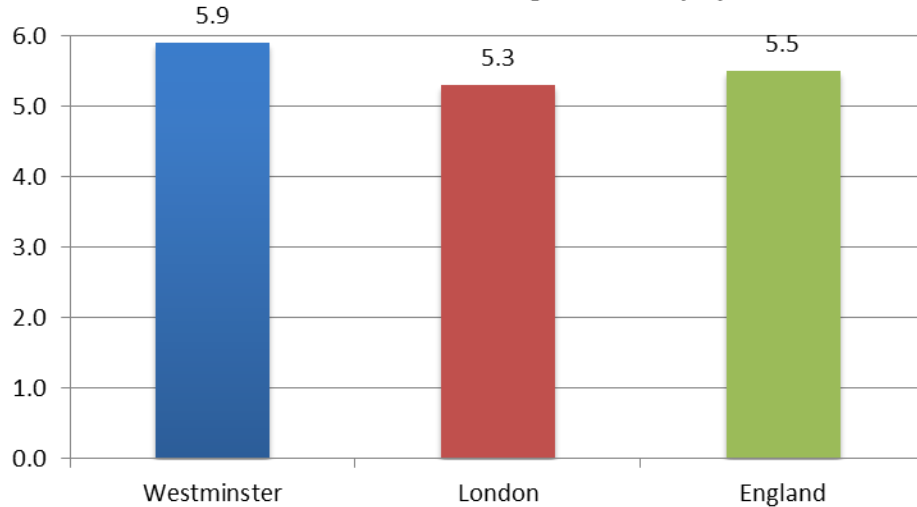
Proportion of Unemployed Residents by Tenure



# Analysis

## Comparative analysis – working age population & health issues

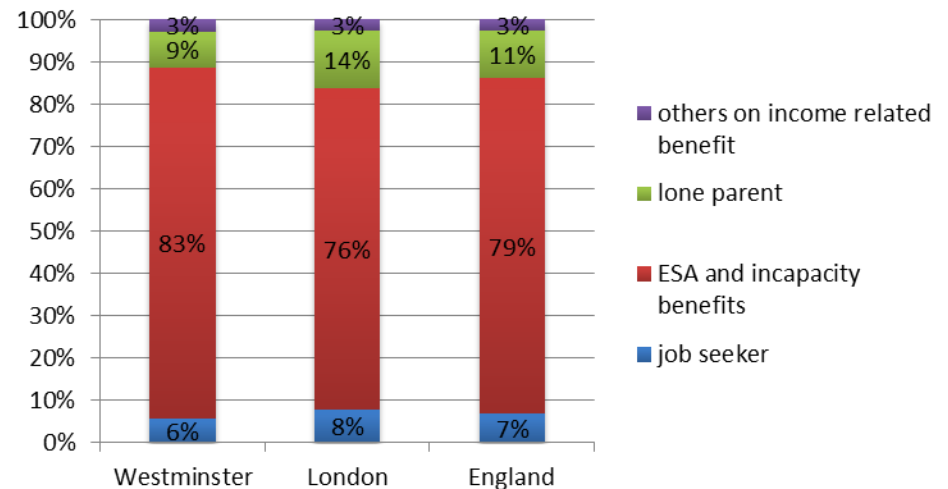
Rate of Residents who are Long Term Unemployed



Despite the huge volume of jobs on offer Westminster has a higher proportion of working age residents who are long-term unemployed than London or England

Westminster does have a greater proportion of its workforce further from work because of health issues – however the profile is not dissimilar to London and England. Mental Health issue account for half of Westminster’s ESA claimants

Proportion of Long Term Unemployed Residents by Benefit Type



# Analysis

## Comparative analysis - age profile of long term unemployed cohorts and dependants

Westminster has a lower proportion of young people (under 35) who are long term unemployed.

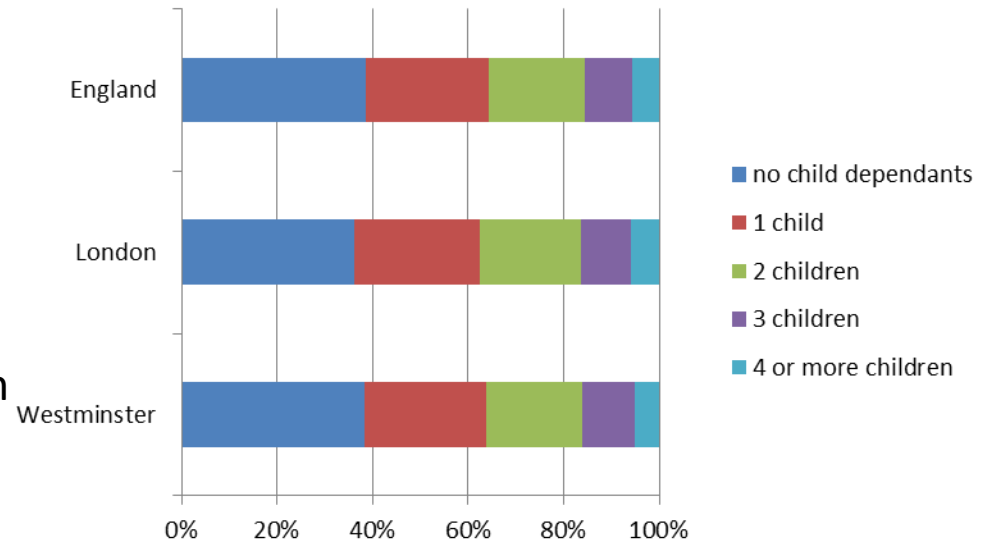
Around 800 people, currently LTU will age out of working age benefits to pensionable age by 2017.



Around 40% of LTU's have no dependent children, similar to English average.

Cost / Benefit Analysis would suggest that there are more benefits targeted LTU's with children and complex health issues

**Proportion of Long Term Unemployed Residents with Child Dependants**

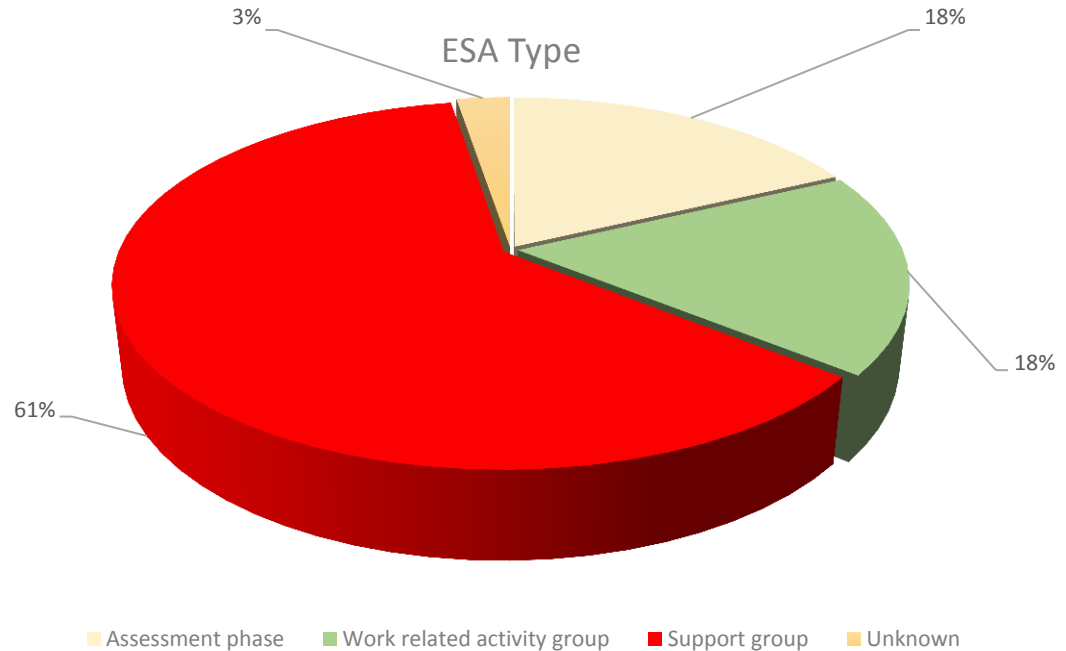


# Analysis

The Employment Support Allowance Cohort – the largest group of long term unemployed claimants

There are around 8,700 residents claiming ESA in Westminster. The chart below shows that the clear majority of ESA claimants (5,400) are in the Support group – which are not actively seeking work.

This group will predominantly be composed of people with significant health or other issues



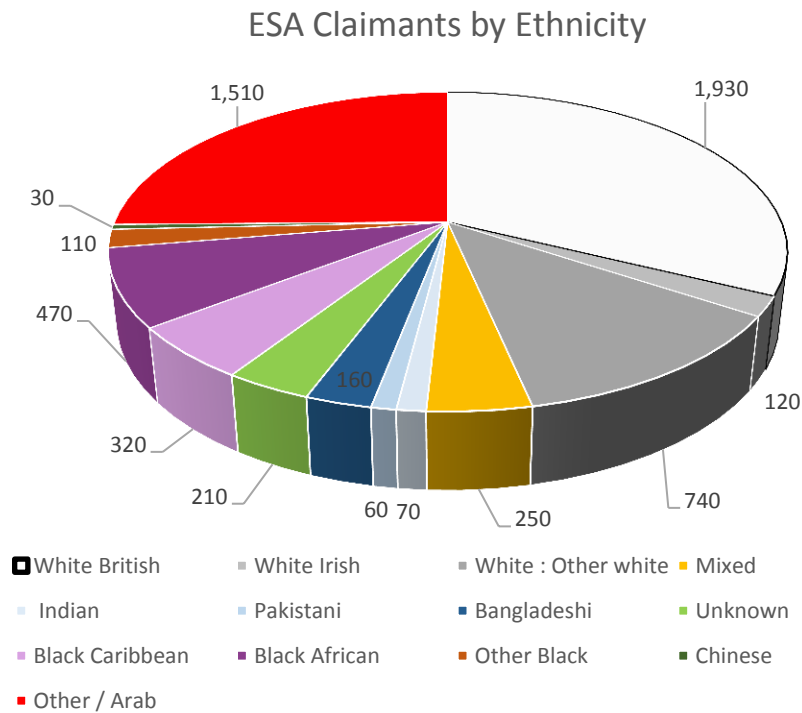
Mental health reasons are by far the largest single reason for residents to claim ESA. Mental health claimants account for 54% all ESA claimants and 56% of those in the far from work support group.

Many claimants will have multiple health issues, and many people for example having mental health problems will also have physical issues. Substance misuse is also wrapped up in the Mental Health. group

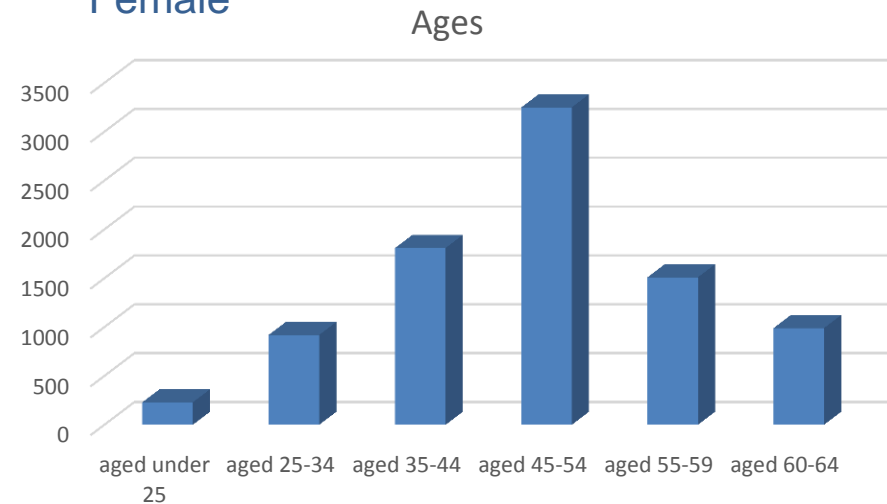
# Analysis

## The ESA Cohort

The ESA cohort has a similar working age gender split to the overall population, but some ethnic groups (Arab, Black African in particular) are over-represented. There are likely a number of factors - that may be due to the historical traumatic reasons (asylum seekers / refugees) for arrival in Westminster, ability in English, translatability of qualifications and skills, attitudes of potential employers. The group is significantly older than the general population.



Gender  
54% Male  
46% Female





# Illustrative Customer Journey – ESA claimant

## LINDA

48 YEARS OLD  
5 CHILDREN BUT  
LIVES ALONE  
Nr. CHURCH STREET



### SOCIAL

Linda knows people locally but has few friends.

### FAMILY

Linda has 5 children, aged 34 to 9. Her youngest lives with his father as she is unable to parent.

### SERVICES

Linda accesses a range of health and social services relating to her parenting, illnesses, drugs rehab and housing.

## BACKSTORY

Linda's life has not been easy. Her father was abusive and a drugs user. She had her first child at 14 and contracted Hepatitis C during a transfusion. She began using drugs in her late teens and in her twenties tried to commit suicide following the painful loss of her brother. She has been in prison for several years and on more than one occasion, though this is where she learned to read and write.

Linda has had the same partner throughout her life and has been a victim of DV of many occasions, leading to social work intervention and placement of children with kinship carers. Owing to the death of Linda's mother and her own poor health, the youngest child now lives with Linda's partner. Linda has emphysema, Hep C, cirrhosis and takes methadone. She suffers from mental ill health and suffers acute anxiety (medicated). Linda does not expect to live for much longer.

## JOURNEYS IN AND OUT OF WORK

Linda worked for 9 months in her teens as a hotel chambermaid. Her ill health, drugs use, time in prison and mothering responsibilities, literacy, confidence and motivation have been barriers to work ever since.

## EXPERIENCE OF SERVICES

Linda thinks her GP is overworked and doesn't have time, he's *"too busy looking after dying people"*.

She finds her drugs rehab nurse, at the GP, very helpful. She helps with various practical tasks.

Linda is cynical about JCP. They have been unhelpful in supporting her to access DLA and once put her forward for a WCA interview – which the interviewer then said was clearly inappropriate.

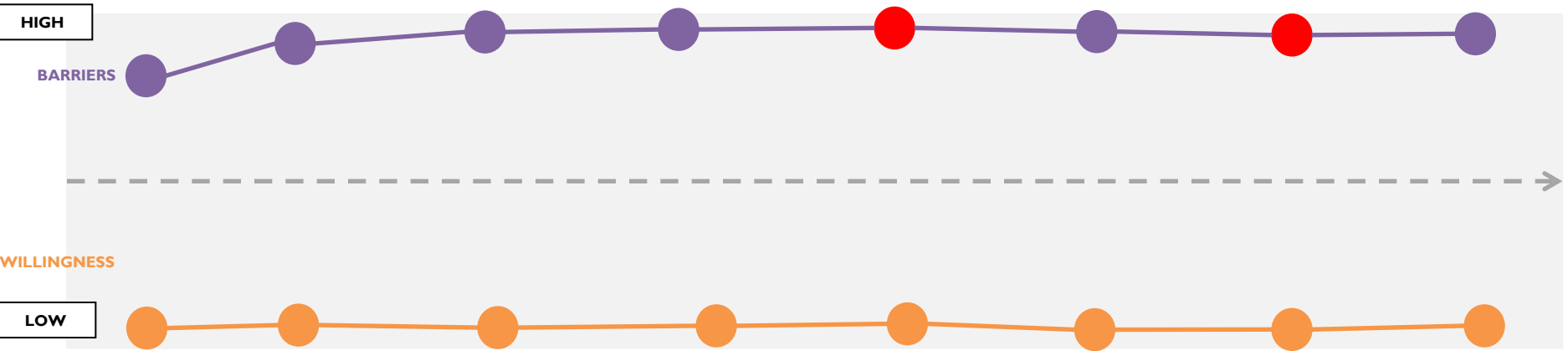
## WILLINGNESS TO WORK

Linda has been distant from the workforce for a long time, dealing with significant family and health problems.

## BARRIERS TO WORK

Linda's criminal record, physical health, mental health, very low skill base, lack of work experience and personal presentaitonal are all barriers to work.

| 2005                    | 2008                                                                                   | 2009->                                                                                             | FEB 2014                                                            | MARCH 2014                                                                                                                           | MAR 2014                                                           | MAR 2014                                                            | APR 2014                                                                                      |
|-------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Youngest child is born. | Suffers DV. Child placed with grandmother and then partner due to maternal ill health. | Accesses a range of health services but finds these unreliable and confusing. Health deteriorates. | Gets new drugs nurse. Finds her very helpful. Sees her fortnightly. | Asks at JCP for DLA and is given a phone number, but it 'doesn't work'. Second phone number appears to be for JSA so Linda hangs up. | Drugs worker says she will help with DLA application for mobility. | JCP put Linda on ESA, previously was on Income Support Sickness (?) | Seeks another referral to see psychiatrist as is hearing voices again. Wants a social worker. |
| LIFE EVENT              | LIFE EVENT                                                                             | JCP                                                                                                | GP                                                                  | JCP/DWP                                                                                                                              | GP                                                                 | JCP                                                                 | GP                                                                                            |



**WHERE A KEY WORKER / TRIAGE APPROACH CAN ADD VALUE**

Key worker could help Linda navigate various clinical pathways

Key worker could support vulnerable residents to access entitlements and improve basic wellbeing.

Key worker could help with related needs such as housing and health

**NEEDS AND DEFICITS – WHERE MIGHT A KEYWORKER BE VALUABLE?**

I'm always in and out of different hospitals and doctors. I'm going to die soon.

I need somewhere different to live. I'm reliant on a scooter but I can't take it upstairs to my flat.

They keep giving me the number for JSA, not DLA. They don't know what they're doing.

My nurse is going to look on google for me to help me get the DLA

# Analysis

## Overview of provision

jobcentreplus

DWP Department for Work and Pensions

### IF YOU HAVE BEEN CLAIMING FOR LESS THAN 12 MONTHS

For DWP Benefit Claimants that are [less than 12 months](#) Jobcentre Plus (a public service provider which is part of DWP) receives support advisors employed by Jobcentre Plus.

Advisors are based at Jobcentre Plus' two offices in Westminster (Marylebone and Chadwick Street) and in the community with other services (including within the Council's FACES team). Jobcentre Plus is also responsible for benefit delivery and implementing Universal Credit.

### LOCAL SERVICES INTERFACE <12 MONTHS

Jobcentre Plus Managers are given more autonomy to shape services locally and personalise support using Flexible Fund and Community Grants. Local services which JCP works with include Cardinal Hume, NHS, FACES, Recruit London, WAES and local Colleges. As well as interventions for those already claiming JSA, JCP is also prioritising activity which supports residents before and during their assessment for health related benefits including ESA.

### IF YOU HAVE BEEN CLAIMING FOR 12 MONTHS+

**The Work Programme** supports a wide range of participants including **Employment Support Allowance** claimants, long term unemployed ([12 months plus](#)) and those who are at risk of long-term unemployment ([less than 12 months](#)) and others who are disabled or have a health condition, and who may have been out of work for several years. Claimants are mandated to providers and contracts operate on payment-by-results between £3,700 - £13,700.

**Work Choices** a voluntary Department for Work and Pensions (DWP) employment programme which helps disabled people with more complex issues find work and stay in a job. To note that not all residents that have a registered disability are claiming Employment Support Allowance and vice versa.

### LOCAL SERVICE INTERFACE 12 MONTHS+

Residents that have completed the Work Programme without a job return to Jobcentre Plus. Local services which support Work Programme returners (after 24 months on benefits) include Council and CLF projects: T200 and Working Capital. Residents with disabilities and not expected to find work through mandatory schemes like the Work Programme are supported through services including Westminster Employment.

# Analysis

## Provision - what works

The evidence emerging from what works for long term unemployment points to the need for developing a broadly based set of skills and strengths that prepares people to enter the job market and creates resilience. This might include developing self-esteem, encouraging positive thinking, developing a strengths based approach to personal “assets” and relationships. Programmes designed for all cohorts like Work Programme and predecessor programmes have tended to focus directly on skills relevant to securing an immediate employment outcome e.g. CV writing, interview skills. That has implications for commissioners in terms of cost of the intervention and timing of employment outcomes.

The diagram shows the broad balance of focus across recent programmes.



# Analysis - what works

## Literature & research review

|                                   |                                                                |                                                       |                                                  |                                                                         |                                                                      |                                                  |
|-----------------------------------|----------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------|
| Integration                       | <ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul> | Whole system design of customer journeys              | Agile model that responds to what works          | Co-location of services                                                 | Case management across agencies                                      | Relational systems rather than structural change |
| Personalisation/<br>Self efficacy | <ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul> | Comprehensive and multi-layered assessment            | Skills and confidence first                      | customer journey designed around customers                              | “Expert peer user” group work                                        | Low caseloads & family based interventions       |
| Skills                            | <ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul> | Sector based work academies                           | Supported and intermediate employment            |                                                                         |                                                                      |                                                  |
| Supportive employers              | <ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul> | Single point of interface with employability services | Preferential access to jobs: targeted employment | Employers take on responsibility for actively supporting people in work | Incentives to invest in employing people with barriers to employment |                                                  |
| Measures of success               | <ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul> | Value on distance travelled                           | Focus on wellbeing & “human capital development” | Tackle low pay as well as unemployment                                  |                                                                      |                                                  |

# Evidence

## Literature & research review

### **National Government**

- DWP Select Committee report on Work Programme – October 2015
- DWP Evaluation report(s) on Work Programme – CESI 2013
- DWP Participant report 2014
- DWP Commissioning Strategy 2014

### **Think tanks and other funders**

- Work 2.0 – Policy Exchange
- Improving employment outcomes through social investment – ERSA (2015)
- ERSA manifesto on future commissioning – (2015)
- Nesta – Making it Work. Tackling Worklessness through Innovation (2012)
- Making Public Service Markets Work. Institute for Government. (2012)

### **Programme evaluations**

- Talent Match Final Evaluation – Sheffield Hallam University (2014/15)
- The Backr (Participle) Evaluation Report – PWC (2015)
- Pathways to Employment – Lambeth, Lewisham and Southwark – Project submission to DWP Select Committee (2015)
- Square Mile Jobs Project Evaluation – CESI (2015)
- Working Well – Report to the Public Service Transformation Network (2015)
- London Borough of Barnet Return to Work pilot report – (2015)

# Summary of challenges

- **Long-term / structural unemployment:** whilst welfare reforms and benefit caps have accelerated transfer of JSA claimants into employment, there remains 10,340 ESA claimants
- **Fragmentation:** multiple current employability services working independently, some contracted locally, others hosted locally but commissioned centrally (i.e. Work Programme)
- **Lack of alignment/integration** between multiple agencies and providers to tackle underlying and complex barriers to employment / economic participation
- **Funding constraints:** further budget cuts facing WCC; shrinking central Government investment in employment initiatives for target cohort (DWP: Health and Work Programme)
- **Complex barriers:** lack of suitable employment opportunity is only part of the solution facing this target cohort – their reasons for unemployment are complex and will likely fall across a range of funding streams / sectors (health, adult social care, children's services, police / crime, justice)

# Strategic options

## Introduction – the unique role of local government in tackling worklessness

- **Demand side levers: stimulating the quality of local job market through employer partnerships.**
- **Social Value:** leveraging the value of commercial relationships for public good.
- **Multi-sector partnership:** creating working relationships across all sectors.
- **Intelligent commissioning:** understanding needs and designing interventions that work in a local context
- **Improving access and participation:** by using a broad range of referral networks



# Strategic options

What are the strategic options for the City Council to support the ambition?

- **Prime Integrator:** co-commissioning welfare programmes with DWP and participating directly in the management and delivery of employability programmes
- **Multi-agency integrator:** utilising the powers and influence of the Authority to “join-up” local services around the individual
- **Local franchise:** creating a local framework within which all organisations operate to a set of agreed practices and standards
- **Targeted commissioning:** commissioning (and delivering) programmes for most disadvantaged residents not supported effectively through other employability services

# Strategic option 1

**Prime Integrator:** co-commissioning welfare programmes with DWP and participating directly in the management and delivery of employability programmes

- Establish a local employability commissioning function and strategy based on “what works” and local labour market conditions
- Build local expertise and capacity, attracting high performing organisations
- Create a holistic customer journey through local employability services, establishing a formal partnership with JCP
- [Secure investment to fund deeper interventions for those furthest from the labour market]
- Establish partnership working with other local agencies to enhance employment, health and housing outcomes
- Create a single interface with local employers to improve job availability for residents

## Considerations:

- Goes beyond the scope of devolvement anticipated by DWP across all welfare to work programmes
- Requires a depth of expertise not in place in Westminster City Council

# Strategic option 2

**Multi-agency integrator:** utilising the powers and influence of the Authority to “join-up” local services around the individual

- Create single point of governance for partnership working across organisations
- Secure partial devolvement of national employability funding to enable investment in local model
- Establish joint working protocols to enable service users to receive a holistic service, including data sharing
- Invest in empowered individuals dedicated to “unblocking” constraints on effective joint working
- Undertake a comprehensive needs assessment at the point of referral and develop individual action plans
- Define and measure outcomes to recognise broad social and economic impact
- Create a single interface with local employers to improve job availability for residents

## Considerations:

- Precedent established for harder to help cohorts
- Expensive model that may not be suitable for all cohorts
- Enables the Authority to build commissioning, partnering and delivery capability

# Strategic option 3

**Local franchise:** creating a local framework within which all organisations operate to a set of agreed practices and standards

- Defined intervention methodology and consistent customer experience across programmes
- Single interface for local employers
- A practitioner network across organisations providing peer learning on what works and strengthening relational networks
- Achieve better employability outcomes by leveraging the impact of adjacent services e.g. health and housing
- Create a single interface with local employers to improve job availability for residents

## Considerations:

- Service overlays existing services and leverages value and impact through a system of partnership and governance – demands additional commitment from participants

# Strategic option 4

**Targeted commissioning:** commissioning (and delivering) programmes for most disadvantaged residents not supported effectively through other employability services

- Secure additional funding for people not well served by existing programmes
- Develop and test new sources of innovation to inform future commissioning
- Join up and prioritise local services around a defined cohort, leveraging other programmes e.g. Troubled Families and Individual Placement and Support (IPS) for people with mental health conditions
- [Secure investment to fund deeper interventions for those furthest from the labour market]
- Partner with and incentivise local employers to support people with barriers to employment into work, to develop skills and achieve progression