

**REPORT TO:** Employment, Learning and Skills and Community Policy and Performance Board

**DATE:** 21<sup>st</sup> March 2016

**REPORTING OFFICER:** Strategic Director, People & Economy

**PORTFOLIO:** Economic Development

**SUBJECT:** Newham Council's Workplace Programme – A Case Study

**WARD(S):** Borough Wide

## **1.0 PURPOSE OF THIS REPORT**

1.1 The purpose of this report is to advise Members of a scheme Newham Council has implemented to tackle unemployment and skills shortages and to consider whether there are any aspects of the scheme that can be applied to Halton.

## **2.0 RECOMMENDATION: That**

- i) **Members note Newham Council's Workplace Scheme and consider whether there are any principles that can apply to Halton.**

## **3.0 SUPPORTING INFORMATION.**

3.1 The Chair of this PPB has referred to an article in The Guardian Newspaper on 12<sup>th</sup> January 2016, entitled "What's behind the huge fall in deprivation in east London? And No, it's not gentrification."

3.2 The article reports that the latest indices of deprivation published in 2015 point to a significant improvement in Newham's deprivation indicators, moving Newham from the second most deprived local authority in England to twenty-fifth. Whilst it is acknowledged that this is part of an east London trend, Newham Council argues that a lot of this success is down to the introduction of a "re-imagined" jobs scheme, called Workplace Newham which was launched in 2007. Newham was one of the six host boroughs for the 2012 Summer Olympics. It has a population of 308,000 and has one of the highest ethnic minority populations of all the districts in the Country. The newspaper article states that many analysts point a trend where gentrification in East London is displacing poorer residents, but the data for the latest indices of deprivation were collected between 2011 – 2013, which pre-dates some of this.

3.3 Newham puts much of this success down to an expanded employment service which does not focus on the needs of jobless residents but includes

the needs of local employers. The Newham Workplace scheme has hired over a dozen managers and placed them directly within major local employers.

- 3.4 This has resulted in 80% of residents who apply for jobs via the Workplace Programme as being successful.
- 3.5 Improvement in income has been a key factor in Newham's improvement in deprivation terms.
- 3.6 However, one of the key criticisms of Newham's Workplace scheme is that it excludes some of the borough's poorest residents who have little or no work experience. Halton Borough Council supports individuals on the work programme who are long-term unemployed. They are often in receipt of Employment Support Allowance and often have severe health issues. It could be argued that the Halton Employment Partnership provides a cost effective way of delivering similar results, where job opportunities often materialise through shared intelligence provided by the borough's partners.
- 3.7 The scheme also benefits from a £6m per year subsidy from Newham Council.
- 3.8 Furthermore, Newham Council ensured that regeneration projects associated with the Olympics embedded local employment contracts within their contracts.
- 3.9 Nevertheless, despite some of these criticisms, subject to available financial resources being made available, there are some aspects that could be considered by Halton.
- 3.10 Firstly, Newham Commissioned BMG Research to undertake workplace sustainability research to ascertain the sustainability of jobs obtained following the introduction of the Workplace scheme. The research included a survey of customers; semi-structured interviews with employers who used the Workplace services; and secondary data analysis to provide background and context to the research and benchmark findings in Newham against London and the UK.
- 3.11 A lack of resources in Halton inhibits the broader analysis as outlined in the Newham report, and data in Halton focuses primarily on the delivery of the Borough's work programme contracts. However, it is worth exploring the opportunities for gathering and sharing data through the Liverpool City Region devolution agreement.
- 3.12 Newham's Workplace offer is firmly embedded within Newham Council's website and provides a user-friendly portal for individuals wishing to access its services. Much of the information is "self-service"/register on line. It is also focused on those looking for a job and those looking for employees. It also provides information on job placements and key performance indicators.
- 3.13 This is an approach that Halton Council might wish to explore.

- 3.14 As mentioned above, Newham has invested in managers embedded within the workplace of major employers. Ideally, Halton would wish to do the same. Despite limited resources, Halton already adopts some of these principles, albeit on a much smaller scale, either through a 0.5 FTE engagement officer, or also through an “account manager” role adopted by the Council’s Business Support Team. Furthermore Employer Advisors allocated to the Work Programme also have a strong relationship with local employers and play a proactive role in linking local employers to jobless residents and vice-versa.
- 3.15 Finally, Newham ensured that “local” Key Performance Indicators (KPIs) were embedded within Olympic Regeneration Contracts. The Council has worked hard to include similar KPIs in the construction of the Mersey Gateway. In fact, Halton Council departments such as Procurement, Planning and Regeneration do share intelligence on potential developments leading to employment opportunities, but lack of resources often means that the approach can appear to be sporadic and inconsistent.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 There are certainly some useful lessons that can be learned from Newham. There are also statistical similarities between the two boroughs. Interestingly, the Halton – Newham comparison chart appended to this report suggests that business creation and survival rates are stronger in Halton and the reduction in JSA rates is similar in both boroughs. In summary, Halton has achieved improvements in its economy over the last five years, with a significantly smaller Employment and Skills budget to achieve this.
- 4.2 Furthermore Members are also advised that Halton’s economy appears to have the potential to be more sustainable than areas such as Newham. For example, recent data provided by Savills property consultants suggest that mortgage holders in pockets of London such as **Newham** and **Tower Hamlets** along with those in towns on the outskirts such as **Barking, Crawley** and **Harlow** are the most at risk if the Bank of England were to raise interest rates, Savills argue that this is because of a dangerous mix of buyers overstressing themselves to get onto the property ladder in relation to their wages and taking on huge amounts of debt to fund it.

#### **5.0 FINANCIAL IMPLICATIONS**

- 5.1 There are no financial implications arising from this report

#### **6.0 IMPLICATIONS FOR THE COUNCIL’S PRIORITIES**

##### **6.1 Halton’s Employment Learning and Skills**

Whilst there are no direct implications arising from the report, there has been an opportunity to benchmark some of Halton’s Employment Learning and Skills services with a comparable district, in deprivation terms and to reflect on the effectiveness of the services provided by the Council.

**6.2 Safer Halton**

None Identified

**6.3 Halton's Children and Young People**

None identified

**6.4 Healthy Halton**

None identified

**6.5 Halton's Urban Renewal**

None identified

**7.0 RISK ANALYSIS**

7.1 There are no significant risks arising from this report.

**8.0 EQUALITY AND DIVERSITY ISSUES**

Despite budget reductions, Halton's Employment Learning and Skills services continue to support some of the most disadvantaged residents in our borough.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Newham Workplace Evaluation BMG Research	Municipal Building, Widnes	Wesley Rourke 0151 511 8645