



# WEST MIDLANDS COMBINED AUTHORITY

## Board Meeting

**Date:** 17 February 2017

**Time:** 11.00 am

**Public Meeting?** YES

**Venue:** Panorama Rooms 1 and 2, University of Warwick, Coventry CV4 7AL

### Membership

#### Constituent Members

Birmingham City Council  
City of Wolverhampton  
Coventry City Council  
Dudley Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Walsall Metropolitan Borough Council

#### Non-Constituent Members

Black Country LEP  
Coventry and Warwickshire LEP  
Greater Birmingham and Solihull LEP  
Telford and Wrekin Council  
Cannock Chase District Council  
Nuneaton and Bedworth Borough Council  
Redditch Borough Council  
Tamworth Borough Council

#### Observers Awaiting Membership

North Warwickshire Borough Council  
Rugby Borough Council  
Shropshire Council  
Stratford on Avon District Council  
Warwickshire County Council  
The Marches LEP  
Herefordshire Council

#### Observers

West Midlands Police and Crime Commissioner  
West Midlands Fire and Rescue Authority

Quorum for this meeting shall be at least one member from five separate constituent councils.

### Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

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**Address** Combined Authority, Civic Centre, 1st floor, St Peter's Square,  
Wolverhampton WV1 1RL

# Agenda

<i>Item No.</i>	<i>Title</i>
81	<b>Employment Support Pilot</b> (Pages 3 - 8)



**WEST MIDLANDS**  
COMBINED AUTHORITY

## Board Meeting

<b>Date</b>	17 February 2017
<b>Report title</b>	Employment Support Pilot
<b>Cabinet Member Portfolio Lead</b>	Councillor George Duggins – Productivity and Skills
<b>Accountable Chief Executive</b>	Nick Page Email: npage@solihull.gov.uk Tel: 0121 704 6018
<b>Accountable Employee</b>	Rachel Egan Email: regan@solihull.gov.uk Tel: 0121 704 8219
<b>Report has been considered by</b>	WMCA Programme Board

### **The Combined Authority Board is recommended to:**

1. Agree to the submission of a business case for an employment support pilot as outlined within the report.
2. Comment on the basis upon which pilot sites should be selected.
3. Agree to the principle of aligning devolved Adult Education Budget to delivery of the pilot.
4. Delegate authority for sign off of the business case to the Portfolio Lead for Productivity & Skills prior to submission on 24 February 2017.

## **1.0 Purpose**

- 1.1 To seek agreement from the Board to the submission of a business case for an innovative pilot for employment support for the hardest to help in line with WMCA's Devolution Agreement.

## **2.0 Background**

- 2.1 The Devolution Agreement states that: "The Combined Authority will develop a business case for an innovative pilot to support those who are hardest to help [into employment]. The business case should set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans, to enable the proposal to be considered for funding at a later date, subject to Ministerial approval."
- 2.2 Government provided guidance relating to the innovative employment support pilot in December 2016. Officers are working with the Warwick Institute for Employment Research and the What Works Centre to develop the pilot as well as engaging with officers from across the Combined Authority area, particularly those that are involved in delivering projects that could be learned from to develop the pilot.
- 2.3 Government has indicated that the pilot should be innovative and designed to fill gaps in the 'what works' evidence. The results will be used to inform future government policy and the next spending review. Indications are that there will be £30m available to fund pilots over a three year period. WMCA is one of six Combined Authorities that have the opportunity to bid for funding.
- 2.5 The first draft business case was submitted to government on 27 January 2017. Government provided feedback on the draft business case on 8 February which was positive and identified areas where further clarification or detail was required. This primarily related to further detail on the evaluation methodology, cost benefit analysis and innovative aspects. The feedback session, also enabled officers to confirm the following:
- a) Government are happy for the pilot to operate across both the constituent and the non-constituent parts of the West Midlands Combined Authority.
  - b) The pilot can support out of work benefit claimants, those out of work not claiming benefit and those on low incomes.
- 2.6 The final business case is to be submitted on 24 February 2017 and a Ministerial decision regarding funding is expected to be made by the end of March 2017.

## **3.0 Matters for Consideration**

### The Approach

- 3.1 In communities with high levels of worklessness it has been shown that people cope better with unemployment due to social support. This raises questions as to what the role of social support is and whether social capital can be developed to create and adapt social networks to support employment as the norm.
- 3.3 The approach builds on lessons learned particularly from the US Jobs Plus model which included an element on Community Support for Work (CSW). The rationale for Community Support for Work (CSW) rested on a growing appreciation of social capital to individual and community well-being, with a key distinction between:

- a) *Supportive (bonding) social capital*: for mutual exchange, copying, and help for “getting by”
- b) *Bridging (instrumental) social capital*: about access to assistance for “getting ahead”

3.4 The intention of CSW within the Jobs Plus approach was to strengthen “bridging” or instrumental social capital through CSW – by:

- a) Infusing resident internal networks with *information* about job openings and how Jobs-Plus could help
- b) Fostering mutual aid among residents to support work
- c) Strengthening norms supportive of work
- d) Connecting to external networks to tap into networks with better information about job opportunities

3.5 The draft business case contains the following elements:

- a) A place-based ‘saturation’ approach – focusing on those who are out of work but with the option of working with all working-age residents in targeted, low-income communities (i.e. eligibility depends only on residence – no other criteria are involved), with specialist advisors and community mentors
- b) Pre and post-employment job coaching delivered in neighbourhoods – i.e. within or adjacent to housing estates, the rationale being that an in-location service would find it easier to engage local residents, including those in employment in low-paid work
- c) Using social networks to promote employment – this is the idea of ‘community support for work’, the rationale being that information about work opportunities coming from peers and neighbours can help strengthen residents’ work-related norms

3.6 In the context of devolution it is important that where the Combined Authority has stated that it will achieve better outcomes through the opportunity that devolution provides to join up funding and activity on the ground, it should take the opportunity to do so. It is therefore proposed that a proportion of devolved Adult Education Budget be directly aligned with the employment support pilot. Initial discussions with representatives from Further Education Colleges and Adult Education Services on what could be delivered to support the pilot have been around the possibility of building on the Learning & Work Institute’s activity to develop a ‘Citizen’s Curriculum’; an innovative, holistic approach to ensure everyone has the English, maths, digital, civic, health and financial capabilities that they need. During the feedback session on the draft business case government were very interested in this area and suggested that it be drawn out as a key aspect of innovation within the pilot.

#### Geographic Targeting

3.7 Given the diverse range of communities within the West Midlands there is an opportunity to select areas with different types of communities to see if the approach works equally well across different areas.

3.8 Detailed analysis has been undertaken highlighting those areas that have high concentrations of unemployment and deprivation. However, data on need is not the only aspect to be considered when selecting areas. Other aspects to consider include:

- a) activity that is already happening in the area,
- b) the potential to include non-constituent member areas,
- c) the opportunity to have a physical base in the area,

- d) access to employment opportunities,
- e) the evaluation framework.

- 3.9 The Combined Authority is also developing a Health-Led Employment Trial with DWP, Department for Health, and NHS England to trial a new model of integrated health and employment support. The aim is to deliver a transformational improvement in employment, health, and wellbeing outcomes for people who are out of work with a health condition. The trial will work with 5,050 people over a period of three years and anticipates that around 1,500 will return to work. The geographic areas that the Health-Led Employment Trial will focus on may need to be taken into account when selecting pilot sites for the employment support pilot.
- 3.10 The business case will indicate the number of pilot sites that will be selected and confirmation that these sites will provide the necessary volume of beneficiaries. The Combined Authority is not required to specify which areas will be targeted at this point in time. A further report will be considered by the Board regarding the selection of geographic areas should the bid be successful. Based on current modelling assumptions there are likely to be up to ten pilot areas.

#### Governance

- 3.8 It is proposed that initially the employment support pilot be led by a Steering Group of key partners and report to the Strategic Economic Plan Board. Consideration should be given in due course to the governance structures relating to the employment support pilot, the Work & Health Programme and the Health-Led Employment Trial to ensure clear connectivity between the work and health agendas whilst avoiding duplication of reporting.

#### **4.0 Financial implications**

- 4.1 The proposed budget for the pilot is £4.5m.
- 4.2 A 2017/18 budget proposal totalling £543,913 for the Productivity & Skills portfolio area is under consideration through the WMCA budget process. This includes funding to support staffing costs to develop and manage the Employment Support Pilot.
- 4.2 The pilot may involve the alignment of a proportion of the devolved Adult Education Budget.

#### **5.0 Legal implications**

- 5.1 None directly arising from this report.

#### **6.0 Equalities implications**

- 6.1 The activities of the portfolio are reflected in the draft WMCA Equalities Scheme.

#### **7.0 Other implications**

- 7.1 N/A

#### **8.0 Schedule of background papers**

- 8.1 N/A



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