



House of Commons
West Midlands Regional
Committee

**The effect of the economic
downturn on the people
in the West Midlands:
Government response to
the Committee's First
Report of Session 2009–10**

**Second Special Report of Session
2009–10**

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The West Midlands Regional Committee

The West Midlands Regional Committee is appointed by the House of Commons to examine regional strategies and the work of regional bodies.

Current membership

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Mr Adrian Bailey MP (*Labour, West Bromwich West*)
Mrs Janet Dean MP (*Labour, Burton*)
Mr James Plaskitt MP (*Labour, Warwick & Leamington*)
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Powers

The West Midlands Committee is one of the Regional Committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152F. These are available on the Internet via www.parliament.uk.

Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at http://www.parliament.uk/parliamentary_committees/wm.cfm

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First Special Report.

On 26 January 2010 the West Midlands Regional Committee published its First Report of Session 2009–10, *The effect of the economic downturn on the people in the West Midlands* (HC 258). The Government's response was received on 25 March and is published as an Appendix to this Report.

Appendix: Government response

Introduction

The West Midlands Regional Committee published its First Report of Session 2009–10, *The effect of the economic downturn on the people in the West Midlands*, on 26 January 2010. This document is the Government's response to the recommendations made by the select committee in that report.

The evidence Government provided to the Committee set out the range of support available for the people of the West Midlands and described how that support is being tailored to address the specific needs of the region.

The Government's response to the recommendations made by the committee has been grouped below according to the specific issues on which the committee sought evidence.

Regional Support and Governance

1. Where the Supporting Individuals and Communities workstream of the Taskforce has done targeted work in one area, such as in Cannock Chase, it should identify if lessons learned are more widely applicable across the region and take responsibility for disseminating information on what has worked well. (Paragraph 43)

The Regional Economic Taskforce (the Taskforce) is committed to sharing lessons learned and disseminating information, through its members to the widest possible community. It has established the Supportwm.co.uk website which signposts both businesses and people to sources of help and advice. In addition the Advantage West Midlands website promotes activities of the Taskforce which are helping to support local communities, for example in Market Towns.

The work undertaken in Cannock Chase has been disseminated across local government in the region and is available on the website of the West Midlands Leaders' Board. On the back of this work, further in-depth activity is being developed as a pilot by Improvement and Efficiency West Midlands and Cannock Chase District Council.

More generally, the outcomes from the Communities and Individual's work strand of the Taskforce are helping to inform the forward work programme of the Economic Inclusion Panel.

2. 'Support to people affected by the downturn has primarily been delivered by local bodies, both from the public and voluntary sector. It is right that regional bodies, including the Taskforce, do not duplicate local efforts. However, the Committee supports the role that the Taskforce has taken to share information and co-ordinate activities. In particular the Taskforce should continue to disseminate information from Government to local bodies in the region and feedback issues from the region to central Government. It is also important to ensure that the impact and outcomes of public investment to assist those who have been affected by the downturn are effectively monitored and measured.' (Paragraph 44)

Government welcomes the recognition of the Committee for the work undertaken by the Taskforce in disseminating information. The members of the Taskforce remain committed to doing this as effectively as possible. The website supportwm.co.uk, mentioned above, which the Taskforce members established to offer information and advice to people affected by the downturn under a common brand, will continue as long as necessary. Members of the Taskforce will also continue to play a key role in ensuring that issues affecting the region are known and understood by central Government. Recently, for example, the region has had a role in informing the Pre Budget Report and budget considerations. Government is very supportive of the approach being taken by Advantage West Midlands, through the Taskforce Monitoring Framework, to assess and report the impact of public sector interventions on the region. In addition the Taskforce, through Advantage West Midlands, publishes a monthly Economic Update keeping regional partners and stakeholders apprised of the regional economic performance.

3. 'We encourage public sector agencies in the West Midlands, particularly Local Authorities, to adopt the procurement documentation being developed by the Economic Inclusion Panel allowing public sector contracts to deliver additional local employment benefits. We also encourage the Economic Inclusion Panel in its efforts to roll the documentation out to private sector businesses in the region.' (Paragraph 94)

The Procurement Framework for Jobs and Skills, funded by Advantage West Midlands and developed by the Government Office West Midlands led Economic Inclusion Panel, was unanimously adopted by the Panel's 22 member organisations in November 2009, showcased within the DWP White Paper '*Building Britain's Recovery*'; endorsed in principle by the Joint Strategy and Investment Board in December 2009 and was launched formally by the Regional Minister on 8 March 2010.

Ian Austin MP issued a challenge to all West Midlands public and third sector bodies, including all 33 Local Authorities, to adopt and deploy the Procurement Framework, monitor its impact, report successes and contribute case studies for inclusion in a revised suite of Framework documents in March 2011. Work is also underway to secure the buy-in of a range of major private sector businesses, including Network Rail and Carillion, and to work with a number of business support agencies to engage a representative group of SME contractors and explore what they will need to be able to respond effectively to this significant change in public sector buying behaviour.

When using the framework, public sector organisations will need to ensure that their actions comply with the EU Treaty principles mentioned above as well as the EU Procurement Directives.

Public sector organisations may not adopt a policy of only buying goods and services from local suppliers, because such action would discriminate against capable suppliers from other EU member states and would therefore not comply with the European Treaty principles of non-discrimination and free movement of goods, services and persons across the EU. However, action can be taken through procurement to boost skills and job prospects where relevant and consistent with value for money principles and EU rules, such as through the use of contract clauses requiring a percentage of the workforce on a contract to be made up of apprentices or unemployed people. Action can also be taken on a voluntary basis, such as encouraging suppliers to advertise their vacancies in Jobcentre Plus and participate in Local Employment Partnerships.

4. ‘Lessons for more efficient and innovative public service delivery should be identified from the three Total Place pilot projects, and disseminated throughout the region, independently of formal reporting on the project by HM Treasury.’ (Paragraph 95)

Government welcomes the efforts made by 13 Total Place pilots across England, including three in the West Midlands. The pilots have demonstrated that, by putting the citizen at the heart of service design, taking a holistic view of the funding available within an area, and working across organisational boundaries in a collaborative, integrated, way, there are very significant opportunities to deliver better services and outcomes for people everywhere, and to drive down cost.

In the West Midlands, the Pilots chose to look at a range of key themes affecting their areas, including issues such as drugs and alcohol misuse, children’s services, and support for 16–25-year-olds not in employment, education or training.

The pilots have now submitted their final reports to the Government. A comprehensive report on the initiative will be presented alongside Budget 2010, when the Government will formally respond to the findings and consider the best means of delivering the wider implementation of Total Place. This is an initiative from which all areas should benefit, and it will be important to ensure that the lessons are shared across the region. The response will include the outcome of work undertaken by central and local government to maximise the effectiveness of new capital investment and existing assets.

The Regional Improvement and Efficiency Partnership for the West Midlands (IEWM) has been running an extensive programme of support for ‘place’ over the last two years. Key components, which link with national policy on Total Place, have included support for leadership on a place basis, partnership working, cross-regional and practitioner collaboration, and development of transformation capacity and strong customer focus. IEWM has also provided direct support and knowledge transfer to the three pilots and is utilising early lessons from the Pilots in work across the region. Going forward, subject to resources, IEWM intends to place a stronger emphasis on the ‘Leadership of Place’, bring various funding pools together at the locality level to provide/commission more integrated support packages, and put transformation of services and new ways of delivering outcomes at the heart of this. In practice this may mean supporting a major piece of Total Place

activity in every locality. GOWM would provide a strong link on policy interpretation and work with Partnerships and IEWM in implementing the Total Place approach.

5. ‘We support collaboration on common goals across the regional public sector and with the voluntary sector. We recognise that some of these bodies are required under statute; however, we are concerned that the number of organisations is inhibiting effective joint working. The complexity of co-ordination of activity at a regional level raises the question of which body decides and drives the regional agenda, and whether there are proper lines of accountability for their decisions.’ (Paragraph 98)

The Committee’s concerns about the number of bodies and strategies at regional level were recognised by the *Review of Sub National Economy and Regeneration (July 2007)*. This included proposals to streamline arrangements at the regional level and address the fragmentation of strategies and organisations by focusing activity via a single integrated regional strategy. This is now being taken forward by the Local Democracy, Economic Development and Construction Act, November 2009.

The purpose of the new Strategy is to set out a long-term strategic, spatial and integrated framework for the region which promotes sustainable economic growth; tackles challenges posed by climate change and contributes to sustainable development. In the West Midlands the preparation, revision and implementation of the new Strategy will be taken forward by the responsible regional authorities (RRAs): the West Midlands Local Authority Leaders’ Board and the AWM Board. To do this effectively the RRAs have formed the Joint Strategy and Investment Board (JS&IB).

A key role for the JS&IB will be to align public and private sector investment around the delivery of a common set of agreed objectives and secure a joined up approach to strategy-making within the region, based on partnership working and stakeholder involvement. The holistic nature of the new Strategy requires active input from the wide range of partners operating at local, sub-regional and regional levels.

The new Strategy will need to be signed off by the Secretary of State before publication and the RRAs will be required to submit to the Secretary of State an annual report on the implementation of the Regional Strategy.

6. ‘We support the approach taken by the Regional Taskforce of commencing meetings with “a summary of the situation in the West Midlands as that time”. This achieves a common understanding of the situation based on agreed, up-to-date data. We encourage the region to adopt this approach more extensively by agreeing a common set of measures that reflect the state of the region across the board, which can be measured centrally—for example, by the West Midlands Regional Observatory.’ (Paragraph 99)

The Government recognises the value in having a common set of measures used by regional partners and welcomes the work being done by regional partners in this area. The Economic Update report published by Advantage West Midlands on behalf of the Taskforce reports against a set of key indicators each month to keep partners and stakeholders briefed on the regional situation. These indicators are then used to give Taskforce members the up-to-date assessment of the regional position at the start of their meetings. There are a number of initiatives which will complement this assessment:

- The West Midlands Observatory publishes a wide ranging annual “State of the Region Report” that includes an assessment of the region’s progress over the previous year and a set of indicators covering key socio-economic themes;
- There is a statutory requirement for a Regional Spatial Strategy Annual Monitoring Report to be published by the Regional Planning Body. The statutory requirement will be carried forward under the LDEDC Act 2009 and the monitoring arrangements brought together;
- Partners are collaborating towards producing a common evidence base to inform the new Regional Strategy. As part of this they are also working together to ensure that the Local Economic Assessments to be produced by each Local Authority will be able to collectively inform the Regional Strategy by being sufficiently compatible to form a coherent regional picture of local economic circumstance

7. ‘...we remain concerned that some of those areas most in need of additional Government assistance may not be aware of new funding that is available and do not have the capacity to bid for it. Need must be a major determinant in the allocation of resources, and authorities and organisations in deprived areas of the region must be given help as necessary to ensure their effective participation in bidding processes.’ (Paragraph 100)

The vast majority of central government non-schools support is provided on a needs basis via Formula Grant.

Formula grant is largely distributed using the socio-economic and demographic characteristics of the authority, together with the number of band D equivalent properties within the authority’s area. The Government applies the same formula to all authorities that provide the same services.

This means that generally an authority with a high need to spend on services, for example due to deprivation, and a low ability to raise funds locally, i.e. council tax, will receive more formula grant than an authority with a low need to spend and high ability to raise funds locally.

There are only a small number of funding streams that are provided to local authorities on a bid basis. In these cases, where there is lack of capacity, there is a national Locality Improvement Adviser scheme through which it is possible to access support.

8. ‘We understand that the Taskforce should not be seen as the answer to every problem in the region and recognise that it was set up to focus on the initial economic impact of the downturn. However, the Taskforce has reach within the region and a direct connection to Whitehall.’ (Paragraph 105)

9. ‘We believe that other activities performed by the Taskforce, such as co-ordinating activity and disseminating good practice throughout the region, would be beneficial to the region in the longer term. Witnesses also identified that communication with Whitehall through the Taskforce worked well. To do this effectively on more social issues the membership of the Taskforce may need to change or mechanisms established to capture information from public sector and voluntary bodies.’ (Paragraph 106)

The Government welcomes the Committee's recognition of the success of the Taskforce in co-ordinating activity and disseminating good practice. The Taskforce members remain committed to sharing lessons learned and disseminating information to the widest possible community and will continue to consider how this is done most effectively. The Taskforce is working closely with the Economic Inclusion Panel, funded by Advantage West Midlands and Chaired by Trudi Elliott, Regional Director for Government Office for the West Midlands, to address key social issues.

The Economic Inclusion Panel was developed to address the 20% of £10 billion (based on 2005 data, it has subsequently been revised to £16.5 billion based on 2008 data) Output Gap attributed to exclusion and brings together key high-level people from across the public, third and private sectors to consider new ways to support those furthest from the labour market. The outcomes from the Taskforce's Communities and Individual's work strand are informing the Economic Inclusion Panel's forward work programme. A key aim for the Panel is to promote its work to key Government Departments and Government looks forward to working with the Panel.

Housing

10. 'The organisations that will deliver new Government schemes need information on the schemes to be disseminated quickly after they are announced or, ideally, provided before the announcement.' (Paragraph 71)

11. 'It is important for delivery bodies to have information on new schemes so that they can capitalise on the initial interest generated by the scheme's announcement and develop public confidence in them.' (Paragraph 73)

Government welcomes the Committee's interest in action to prevent repossessions and shares its concern about the high levels of repossessions in the region. As the Committee has noted, a significant number of repossession hotspots are situated in the West Midlands and as such are receiving additional support through the preventing repossessions awareness campaign. Government agrees with the Committee's recommendations that delivery bodies and local partners need to be well informed when new policy initiatives are announced, enabling them to respond to consumer demand and as such have now established a network of mortgage rescue contacts in all local authorities, so information can be quickly relayed to key partners. Similar arrangements are in place to ensure money advice and lender partners are well informed.

12. 'The Supporting Individuals and Communities workstream of the Taskforce should collect evidence from regional bodies to evaluate which Government housing support initiative has been most beneficial to households in the region. This information will allow the Taskforce to make informed representations to Government if any changes are proposed to the schemes that will adversely impact the region. The Taskforce should examine how it can help to disseminate information efficiently on new Government initiatives to regional delivery bodies, including the third sector.' (Paragraph 74)

In October 2009 the Department for Communities and Local Government commissioned a formal evaluation of the Mortgage Rescue and Homeowner Mortgage Support Schemes.

Contractors are currently undertaking qualitative interviews with the aim of providing a progress update from this stage of the research to CLG officials in March 2010, with an interim report, including a preliminary Value for Money analysis and scheme data analysis, in May 2010. Whilst this evaluation is being undertaken on a national basis Government will disseminate outputs due to be published to regional partners so that they can apply any lessons learned.

13. ‘The Committee supports the efforts of the region to obtain the maximum Government funding possible to increase the supply of affordable housing in the West Midlands and support the construction industry and welcomes the additional funding from Government which has recently been announced. Our first Report, published in July 2009, highlighted the importance of stimulating the housing and construction sectors to regional recovery. The evidence presented to this Inquiry underlines this point.’ (Paragraph 78)

14. ‘We are concerned, however, that some of the areas that would most benefit from the additional funding in the region may not have the capacity to bid for it. We encourage the Homes and Communities Agency and other partners to work with these areas to ensure that they benefit from the additional funding that is available.’(Paragraph 79)

The Homes and Communities Agency’s Regional Team actively works with partners, and particularly with all local authorities, to identify needs across local areas. The ‘Single Conversation’ process enables the HCA and local authorities to agree on priorities for investment, informed by sub regional and local housing needs assessments and other indicators of need. In addition, the Single Conversation identifies any capacity shortfalls within a local area that may hinder access to additional funding, and seeks to address them. The HCA’s Regional Team acts to communicate and publicise funding availability through regular personal contact and regular briefings. The team also provides guidance and feedback to increase the likelihood of successful bidding. The West Midlands region attracted the highest level of funding of the nine English regions from the Kickstart Housing Programme Round 1 (£53.4 million).

Debt

15. ‘We support the work that Advantage West Midlands has undertaken to ensure regional coverage by CDFIs [Community Development Finance Institutions]. However, this financing can be expensive for small businesses and individuals due to EU state aid rules.’ (Paragraph 85)

16. ‘Regional bodies such as Advantage West Midlands and the Regional Taskforce should examine what further work is needed to promote Credit Union coverage in the West Midlands. We welcome the funding that has already been provided to increase the reach of credit unions, and we urge Ministers to do all they can to promote their continued expansion.’ (Paragraph 86)

The Government recognises that the cost of finance from Community Development Finance Institutions (CDFIs) reflects the fact that there is often higher risk associated with the loans that they make. This is because CDFIs provide loans to businesses that have been

turned down by the banks. There is also a higher cost associated with making larger numbers of smaller loans. The cost of loans varies across the CDFIs operating in the West Midlands region according to both the size of the loan and the assumed risk associated with each loan.

There are a number of existing mechanisms to support CDFIs and Credit Unions:

- The Enterprise Finance Guarantee (EFG) was set up in January 2009 in response to the tightened lending conditions to enable additional bank lending to SMEs who have no or insufficient security and who are struggling to secure the finance they need. A £1.3 billion facility is in place until March 2010. Some CDFIs are accredited EFG lenders and in May 2009 the scheme was extended to allow up to £20 million on lending to CDFIs.
- The Community Investment Tax Relief is designed to encourage investment in disadvantaged communities through accredited CDFIs. It is worth up to 25% of the money invested, spread over five years. To obtain maximum tax relief under the scheme investors must hold the investment for at least five years. The relief is available to individuals and companies who invest in accredited CDFIs.
- The Office for the Third Sector is currently developing a Social Investment Wholesale Bank which was announced in the 2009 PBR.
- AWM provides support for CDFI through the Solutions for Business product Small Loans for Business.

Ministers are keen to promote the expansion of credit unions and have developed mechanisms to support them. This includes the Growth Fund which was established at PBR 04 and now has £100 million available. It supports financial inclusion by lending to marginal borrowers through CDFIs and credit unions. The network of Growth Fund Credit Unions already provides a service to some of the most financially excluded communities in the region.

Skills and training

17. ‘The Committee supports Unison’s assertion that activities to support people back into work should be aligned to the long-term needs of the region wherever possible. One area where this is most feasible is the graduate schemes established by Advantage West Midlands.’ (Paragraph 63)

18. ‘We believe that short-term activities responding to economic shocks should complement the long-term strategy for regional economic development. We support activities the region has introduced that meet both short and long-term skills needs, such as the West Midlands Graduate Internship Programme. We encourage the region to design future initiatives to deliver both a short-and long-term benefit.’ (Paragraph 90)

The thorough range of activities currently in place to support skills needs of both employers and individuals within the West Midlands draws upon the extensive experience within organisations such as the Learning & Skills Council and Advantage West Midlands

of supporting economic shock situations across the region. The Learning & Skills Council has implemented a number of recognised best practice skills support projects during recent years and during the current downturn, these have informed and led to the implementation of long term and legislative changes of funding for skills programmes nationally. Current activities are constantly assessed and flexed to ensure they meet individual and employer needs whilst also being built into the ongoing funding strategy supporting the region throughout the upturn. Key to this activity is the Learning & Skills Council and Advantage West Midlands working hand in hand identifying and working with growth sectors and employers within in them to ensure a long term skilled workforce, supplying the engine for the region's recovery.

Government welcomes the Committees support for the West Midlands Internship programme led by Advantage West Midlands. This programme has had a huge impact on the immediate problem of short-term high unemployment among graduates, helped improve graduate retention for this year's cohort and increased the appetite of employers for higher level skills in their business. Long term this programme has demonstrated that increasing the volume of internships available in the region by offering them on a voluntary basis achieves maximum impact from a relatively low public sector investment. Experience through the recession has shaped a new bid for Advantage West Midlands and ERDF funding through which it is hoped that the Graduate Advantage placement service can be expanded to a scale that, when taken together with other graduate services in the region, will have a major impact on addressing the size of the challenge. It will act as a mechanism for long-term change, influencing the behaviour and attitudes of West Midlands businesses and tackle the longer-term issue of the under-representation of graduates in the private sector.

19. 'We share the concern of witnesses that the changes to the system for learning and skills have been insufficiently developed. We believe there is a significant risk the changes will adversely impact on skills delivery in the region when they are introduced in April 2010. We recommend that regional bodies work closely together, through organisations such as the Taskforce, to limit the impact of the change. Ideally, Machinery of Government changes should be limited during the downturn as such changes increase the risk that services will not be delivered effectively when they are most needed.' (Paragraph 91)

The committee's concerns relating to the Machinery of Government changes are acknowledged. The Learning and Skills Council however, are confident that this has not affected the skills infrastructure. Learning & Skills Council funded delivery will remain consistent throughout the current downturn with no reduction to the skills support offer for either employers or individuals despite skills responsibilities flowing into the Skills Funding Agency and Local Authorities in April 2010. Whilst it has been challenging to balance a huge organisational change programme and ensure effective support at a critical time, the Learning & Skills Council and partners have played a key role in the ongoing shadow working arrangements already in place to ensure a seamless transfer of responsibilities with no negative impact on skills within the region. The Regional Skills Partnership has focused on producing a list of priorities to ensure that the changes to the learning and skills system can be successfully managed. All key stakeholders have been fully engaged in the process, so that despite the recession, regional priorities are being

aligned to ensure the skills delivery in the region is delivered effectively when new systems are introduced.

Helping people find jobs

20. ‘The evidence from the Jobseekers’ Allowance register demonstrates how severely the downturn has impacted people in the West Midlands, and that support will need to be provided to some individuals for longer than they might ordinarily need.’ (Paragraph 51)

Jobcentre Plus support starts before people facing redundancy lose their jobs. The Rapid Response Service offering a quick, flexible service has been delivered to employees in 671 West Midlands companies since November 2008. The flexible nature of the Rapid Response Service means that individual customers can continue to access practical help to re-train and get back into work after they have left employment.

A comprehensive package of support is available from the first day of unemployment to help all customers move back into work. This package is enhanced to meet the needs of individuals who do not return to work quickly.

The 6 Month Offer provides real help now to jobseekers who find themselves out of work for six months or more, and builds on the enhanced adviser support already available at six months.

This substantial package of support, introduced in response to the downturn, includes access to recruitment subsidies, new training places, help to take up self-employment and volunteering placements.

Take-up of the 6 Month Offer is building steadily after bedding in over the spring and summer. Between April and November 2009, 23,340 jobseekers have moved directly into work through 6 Month Offer recruitment subsidies, LSC funded training and the self-employment option. Thousands more have taken up volunteering opportunities.

The region piloted the National Voluntary Training Pathfinder (NVTP) as part of the Integrated Employment and Skills trial. NVTP was aimed at people who had been unemployed for at least six months and overcame financial barriers to training. People taking up to eight weeks full time work focused training continued to receive Jobseeker’s Allowance. NVTP was extended nationally in April 2009 to become the Work Focused Training element of the 6 Month Offer.

The Flexible New Deal started in the West Midlands region in October 2009 for people unemployed for more than one year. From this date specialist contractors have been helping customers move back into work through bespoke support such as improving skills and employability.

The Government is committed to ensuring that no young person is permanently disadvantaged by the economic downturn and that all young people are able to maintain their attachment to the labour market and take part in worthwhile activity. Advisers who specialise in helping young people have been deployed in Jobcentres across the region since October 2009.

The Young Person's Guarantee offers all 18 to 24 year olds a job, work-focused training or other work-related activity before they reach the 6 month stage of their claim to Jobseeker's Allowance.

The Backing Young Britain campaign is a call to businesses, charities and government bodies to create more opportunities for young people. The Future Jobs Fund is one element of Backing Young Britain and is a key component of the Young Person's Guarantee. The fund is creating jobs that are of benefit to local communities. These jobs are aimed primarily at 18 to 24 year olds before they reach the 6 month stage of their claim to Jobseeker's Allowance, but are also available to older longer term unemployed people living in areas of high unemployment. Over 12,000 job opportunities had been approved for funding in the West Midlands by the end of February 2010.

21. 'We support the initiatives that have been taken by Jobcentre Plus in the region to meet additional demand for its services. We encourage Jobcentre Plus to extend its reach by opening new sites as soon as possible and extending opening hours for as long as demand continues. '(Paragraph 54)

Jobcentre Plus has responded to increased demand during the downturn by acquiring temporary premises in 14 locations across the West Midlands Region. Eight new temporary sites have been opened since August 2009. A further six sites are scheduled to open by the end of April 2010. These additional premises will be occupied using short term lease arrangements.

Business levels are monitored continually to identify peaks in demand. Individual Jobcentres continue to extend their opening hours during week days and are open at weekends when required to reduce delays for customers.

Over 100 Personal Advisers are out in local communities each week delivering services to their customers. These advisers meet their customers at Children's Centres, community centres, libraries, doctors' surgeries, colleges and Pathways to Work providers' premises.

Jobpoints and Jobcentre Plus access telephones for customers have been installed in eight locations across the region.

1,761 new staff have been recruited to deliver front line services to the increased number of unemployed customers across the region. Most of these new staff are employed on fixed term contracts for 18 months and are deployed in Jobcentres, contact centres, and benefit delivery centres.

By February 2010 the number of people claiming Jobseeker's Allowance in the West Midlands region had increased by 85% compared with June 2008. Jobcentre Plus has maintained its focus on helping customers back into work during this period with the latest data showing that 50% stop claiming Jobseeker's Allowance within three months and 71% stop claiming within six months.

22. 'The current downturn has seen professionals and long-term employed people made redundant in greater numbers than previous recessions. The support that they require to re-enter employment may differ from that usually provided by Jobcentre Plus and its partners. Lessons identified from talking to a cohort of 120 such people

should be disseminated to all regional jobcentres as soon as possible, so that the needs of these individuals can be met.’ (Paragraph 55)

Detailed research with the cohort provided feedback on the downturn’s impact on this customer group. A steering group comprising Jobcentre Plus, Advantage West Midlands, Chambers of Commerce, the Strategic Health Authority, Social Enterprise and other business groups is progressing further actions including:

Encouraging widespread networking among redundant professionals to boost confidence and maximise their business contacts;

Increasing Jobcentre Plus advisers’ awareness of:

- self employment opportunities;
- the training that professionals require.

Reaching out to redundant professionals who are unaware of services provided for them by Jobcentre Plus.

In April 2009 DWP introduced specialist support for customers from professional and executive backgrounds.

From day one professionals now have access to a workshop delivered by external recruitment agencies to help them with jobsearch techniques and give them advice specific to their needs and experience. These agencies understand the problems faced by professionals who find themselves unemployed, but who may lack experience of how modern jobsearch works.

23. ‘The Committee is concerned about the level of engagement between Flexible New Deal providers and local employers and the third sector. It is important that potential employers are supportive of the scheme as they are key to returning people who have been long-term unemployed to productive employment.’ (Paragraph 57)

The Flexible New Deal (FND) has an outcome based funding model, with providers paid according to the number of people they help into short and long term employment. Providers are given the flexibility within their contracts to develop appropriate solutions for individuals to achieve those outcomes. This requires a high degree of partnership working and creates many opportunities for smaller organisations, with around 48% of the current Flexible New Deal subcontractors belonging to the third sector.

Although it is left to providers to decide who to engage with and how, providers are expected, as part of their proposals, to demonstrate how they will build strong links with local employers and key partner organisations, including Local Employer Partnerships (LEPs). The FND funding model means that if providers are to profit from their contracts they must work with local employers to get customers into work and keep them there.

Local Employment Partnerships (LEP) are a key component of FND and have helped 38,373 unemployed people start work in the region since April 2009. 65% of these job starters had been long term unemployed.

Over 13,000 West Midlands employers from all sectors are already signed up to LEP.

Social cohesion

24. ‘We are aware that in some areas there have been criticisms of the pace and extent of the distribution of funds [Working Neighbourhoods Fund], and the Government Office for the West Midlands has been asked to report on how matters progress. We look forward to seeing the outcome of that examination.’ (Paragraph 41)

In October 2009 Secretary of State wrote to the Be Birmingham partnership to express concerns about its delivery of Working Neighbourhoods Fund programmes and asked the Regional Director of Government Office West Midlands to provide him with a report on the situation in early 2010. That report was submitted to the Secretary of State. It included evidence from the partnership on the areas of delivery it had identified as requiring improvement and the actions the partnership were taking. In February 2010 the Secretary of State wrote again to the partnership acknowledging the progress that had been made and encouraging a faster paced improvement. A further report will be submitted to the Secretary of State in March 2010.

25. ‘The third sector is often best placed to engage hard-to-reach communities, providing advice, education and access to services. We recognise that lots of good partnership working has taken place between voluntary organisations and the public sector to deliver support effectively to individuals affected by the downturn. Where this collaborative working has been beneficial, we are concerned that it should not be lost in the longer term. The Taskforce should collect information on successful collaborative working across the region and identify areas where continued partnership working will be of benefit to effectively deliver services to communities.’ (Paragraph 111)

The Taskforce and its members remain committed to collaborative working between the voluntary and public sectors and will continue to support this where this is appropriate.

In support of this the Economic Inclusion Panel has agreed to take forward the outstanding activities of the Communities and Individuals work strand of the Task Force where it aligns to the agreed priorities of the panel.

The Panels’ membership has been expanded to include the Area Director of the Citizen’s Advice Bureaux, thereby ensuring that all members of the Communities and Individuals Work Strand are now represented on the Economic Inclusion Panel.

In addition, the Panel is now supported by a Regional Worklessness Network. The Network is funded by the Department for Work and Pensions and is looking to identify innovation and good practice in tackling worklessness at the local, sub-regional and regional level, which can in turn be championed by the Panel, deployed more consistently across the region and promoted to key Government Departments.