

REPORT TO NORTH SUNDERLAND AREA COMMITTEE

21ST NOVEMBER 2011

REPORT OF THE CHIEF EXECUTIVE

COMMUNITY ACTION IN SUNDERLAND WEST – IDENTIFYING NEW ISSUES AND AGREEING ACTIONS (2010/11 WORK PLAN) – EMPLOYABILITY PROVISION

1. Why has it come to Committee?

- 1.1 To enable the future development of area based working, the Area Committee requires detailed information to be freely available from a number of different sources.

2. Background

- 2.1 The City of Sunderland has significant issues with worklessness including intergenerational worklessness. Around 1 in 4 households today totally rely on benefits, where no-one in the household has a job.
- 2.2 The new Welfare to Work policy is attempting to tackle these issues in a radical new way, aiming to make work pay, but this may mean many of our most vulnerable residents will experience a period of uncertainty.
- 2.3 The current employability service to assist people into work is delivered by SNCBC through the Job Linkage programme at three sites across the North area of Sunderland, Hylton Castle, Town End Farm and Southwick with 8 advisors delivering the service. The funding for the Job Linkage service will cease at the end of March 2012.
- 2.4 The future employability service will be in the form of the government led Work Programme, which will work with people who have been unemployed for over 12 months. The Work Programme in Sunderland has been allocated to 2 prime contractors on a 50/50 split, one of the contractors will deliver entirely from a central base. SNCBC have been awarded 63% of the remaining 50% for delivery of the work programme at a local level.

3. Context

- 3.1 **Annex 2** identifies the statistical information relating to the population in the North area of Sunderland, their current employment and benefit status. The key points to note are that in the North area of Sunderland 21.6% of the working age population are on out of work benefits. This figure is higher than that of the Sunderland and North East average.
- 3.2 Information on a local level also shows disparities with Fulwell and St Peter's wards working age population on out of work benefits well below the city average and those of the other wards within the North Area.
- 3.3 Welfare Reform will also have an impact on the current figures, hundreds of people who have traditionally received sickness related benefits are now being called to attend Work Capability Assessments to determine whether they are 'fit for work' with many being found capable of taking up some form of employment. Figures show that from October 2008 – February 2011 38% of those assessed were found 'fit for work'

with a further 36% closing their claims before they were assessed. Many of these individuals will be the hardest to reach with many barriers to work.

- 3.4 The current employability service offers a service to all those who do not fall within the previous remit of the Job Centre and caters to the individual need of clients at a local level.
- 3.5 During 1.4.2009 – 30.9.2011 2004 people registered and received support from the Job Linkage Network in the North area, of which 974 clients are still receiving support. During the same period 662 people from the North area moved into employment, this represents 27% of the city totals of 2404 for the same period.

4. Future Service Delivery

- 4.1 As stated earlier the new form of employability support will be the 'Work Programme' of which SNCBC have been awarded 63% of half of the contract for Sunderland to be delivered locally.
- 4.2 This will in effect mean that under the work programme SNCBC will offer support to approximately 250 people in comparison to the figures supported through Job Linkage currently. The work programme will also not provide services to or provide limited scope for those who have historically been able to access services through the Job Linkage Programme as described at **Annex 3**.
- 4.3 As described Job Linkage currently operate from 3 sites in the North with 8 advisors, this will reduce under the work programme to 1 site and 2 advisors dealing with those clients referred under the Work Programme.

5. Impact of the changes

- 5.1 Two of the current sites from which Job Linkage is delivered will be closed and the number of locally based advisors will reduce from 8 to 2.
- 5.2 The support for the 974 clients currently on the Job Linkage caseload for the North area will end completely with effect from 31st March 2012.
- 5.3 No further clients will be taken on by Job Linkage through current mechanisms, only those clients referred from the Work Programme.
- 5.4 Those residents who are on JSA for less than 12 months will not have access to or will have limited access to an employability support service.

6 Recommendations

- i) Note the content of the report.
- ii) Consider whether Committee want to set up a task and finish group to consider the issue further.

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