

**A cooperative  
deal for  
community  
resilience,  
jobs and  
growth**

**Document of  
supporting  
evidence**



**our  
wealth**

**unlocking**



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## **About the Cooperative Councils Innovation Network**

The Cooperative Councils Innovation Network is a collaboration between local authorities and registered as a Special Interest Group of the Local Government Association. Membership is open to any council which shares a commitment to our values. It is non-party political and provides a national voice for cooperative councils, informed by real experience and practice.

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## **About the Commission on Community Resilience, Jobs and Growth**

The Cooperative Councils Innovation Network (CCIN) launched a policy commission on community resilience, jobs and growth in September 2014. The Commission, chaired by Councillor Lib Peck (Leader of Lambeth Council), comprised a group of leading policy advisers and members from CCIN councils.

The Commission's aim was to review recent and ongoing evidence of innovation and impact in local economies, and develop a creative policy approach based on this evidence to increase the effectiveness of state spending on employment support.

The RSA assumed a role as the Secretariat of the Commission and carried out the research underpinning this report. The RSA is an enlightenment organisation committed to finding innovative practical solutions to today's social challenges. Through its ideas, research and 27,000-strong Fellowship it seeks to understand and enhance human capability so we can close the gap between today's reality and people's hopes for a better world.

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# About this document

This is an accompanying document to the Report of the Commission on Community Resilience, Jobs and Growth. It provides a summary of the key evidence collected through the course of the Commission, in particular the economic analysis of cooperative programmes and a collection of case studies and qualitative evidence.

1. See [www.coopinnovation.co.uk/internal-resources/cooperative-councils-innovation-network-values-and-principles](http://www.coopinnovation.co.uk/internal-resources/cooperative-councils-innovation-network-values-and-principles)

## Background

The Cooperative Councils Innovation Network (CCIN) launched its policy commission on community resilience, jobs and enterprise in September 2014.

The Commission's aim was to:

- Gather examples of cooperative approaches to employment support, skills development and business growth
- Review the impact and effectiveness of these approaches
- Make recommendations to increase the effectiveness of state spending on employment and business support.

The Commission was chaired by Councillor Lib Peck and comprised a small group of policy advisers, service managers and elected members from CCIN councils. The RSA acted as Secretariat of the Commission and carried out the research underpinning the report.

The range of evidence that was collated and analysed by the Commission supports taking a locally-tailored, flexible and place-based approach to employment and growth.

## Defining “cooperative” approaches

Cooperative councils share a vision to increase the power and capacity of citizens, and they are exploring ways of achieving this. This means there can be no single, definitive definition of a cooperative approach to public service. Developing a practical definition to enable us to select examples of cooperation was part of the job of this Commission. Cooperative Councils have a stated aspiration to work with their citizens differently based on clear values, and are committed to innovation and learning. The councils in the Network have acknowledged they are on a journey, and have developed a high level theory of change which will be further developed through an emerging performance management

framework. So we acknowledge that working cooperatively is emergent practice and there is as yet limited evidence of what councils and services would look like if we moved to a fully developed cooperative approach. The work of this Commission will help to inform this journey by looking at what the emerging evidence tells us about the difference that cooperative working makes.

For the purposes of gathering evidence for the economic case we used three criteria, taken from our values, to identify whether examples could be considered cooperative.

First, is the initiative based on social partnership between different sectors (public, private and voluntary), with shared accountability and resources? There are many examples, some of which are described as cooperative, of partnerships between public sector organisations. This would not be considered cooperative according to our criteria. Cooperative and mutual institutions are a way of locking social partnership into the governance of an organisation.

Second, does the initiative involve co-production with the beneficiaries of the services – citizens or businesses? Cooperative approaches involve a shift of power - giving citizens control over defining outcomes, deciding how they can be achieved, designing interventions, deciding how money is spent and helping to deliver.

Third, does the initiative build on the value of local assets and local networks? Cooperative approaches involve sharing land, buildings, equipment, skills and knowledge across sectors to mutual benefit. Developing relationships and social networks is seen to be of value in helping achieve social goals.

For the cases studies included the last section of this document we used a broader set of criteria, for example we include the council taking a role as leader, broker and connector. All of these examples show some elements of cooperative working but there may be aspects which could be increased, for example the role of citizens in co-producing initiatives.

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## About this document

This document provides a summary of the evidence that was gathered through the course of the Commission – the key literature, economic analysis and qualitative case studies that relate to the report's key findings. The document is divided into three sections:

1. Policy context: Scoping of current literature and evidence
2. The economic case for cooperative approaches
3. Case studies and findings from our qualitative research.

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## Methods

The Commission gathered a range of evidence to inform its recommendations, supported by a variety of methods. This included:

- Scoping the literature and key policy developments
- Participatory evidence sessions
- Analysing submissions from a call for evidence
- Economic analysis of selected examples
- Collating, analysing and synthesising case studies and qualitative evidence
- Engaging with a range of experts, practitioners and business leaders to advise the Commission.

### **1. Scoping the literature and key policy developments**

A rapid review of the current literature and evidence base was undertaken. This review focussed on understanding the performance and limitations of the current approach to skills, employment and enterprise, as well as the trajectory of national policy. It also sought to gather evidence on locally-led approaches to skills, employment and business support, as well as emerging theory and practice on the role of business in society.

### **2. Participatory evidence sessions**

The Commission held evidence sessions in three different parts of the country: the Liverpool city region, Sandwell and Plymouth (see Annex). The evidence sessions were designed to understand how policies and practice related to skills, employment and enterprise impact a specific place; how the system can be designed better; and what local, innovative and cooperative approaches currently exist and how they can be better supported and nurtured through a new settlement. The evidence sessions deliberately used a participatory design and included residents and service users such as apprentices and unemployed people.

### **3. The economic case for cooperative approaches**

The Commission's open Call for Evidence invited local authorities, organisations and individuals across the country to submit evidence of the impact and outcomes of 'cooperative' interventions related to employment, skills and business support. The submissions, which provided robust and comprehensive quantitative outcomes data were used to undertake an economic analysis comparing the performance of cooperative interventions to mainstream provision.

Many examples were provided which showed good outcomes, but lacked the detailed data that would allow us to undertake economic modelling. We therefore rely on three case studies which form the evidence base for our conclusions. This small sample reflects the fact that cooperative approaches to service delivery are in their infancy. However, the significant benefits identified make a strong case for local and central government to invest in cooperative approaches.

### **4. Qualitative evidence and case studies**

We collated, synthesised and analysed a large number of case studies of cooperative approaches. Many of these lacked robust

evaluative data for various reasons, but provided strong qualitative evidence on local cooperative approaches. In addition to case study material, we also engaged directly with a range of expert stakeholders to test and sharpen our key messages. This included a series of meetings, telephone interviews and a roundtable with business leaders.

# Policy context

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**This chapter presents the findings from a rapid review of current literature, evidence and policy developments related to skills, employment and enterprise. It highlights the limitations of the Work Programme for the hardest-to-help and the benefits of locally-led approaches. It also examines emerging thinking and practice on the role of business in society.**

There is a range of literature and evidence that indicates the current (centralised) system of employment and skills has substantial limitations and is not achieving its desired outcomes. Growing evidence suggests that this is largely a consequence of the way in which the system is designed. In particular, it is too centralised and unresponsive to the needs of individuals and local areas; it is fragmented, inflexible and difficult to navigate; and it is hampered by silos and a lack of effective leadership.

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## 1. The Work Programme

Recent evaluation of the Work Programme, the nationally determined welfare-to-work programme, indicates that it is performing below its expected level, although there have been improvements on its initial poor performance. 27 percent of Work Programme participants aged 25 and over moved into employment lasting six months or more, compared to the original forecast of 39 percent. It is especially struggling to support those furthest from the labour market into sustainable employment, with almost 90 percent of Employment and Support Allowance (ESA) claimants on the Work Programme failing to move into employment (see tables below). This is despite the numbers of harder-to-help claimants having risen significantly since 2011. A quarter of people who entered the Work Programme in September 2014 were on ESA, compared to just 3% when the scheme first began. The National Audit Office summarises the current evidence as follows:

*After a poor start, the performance of the Work Programme is at similar levels to previous programmes but is less than originally forecast. The Department has struggled to improve outcomes for harder-to-help groups. The*

*Programme has the potential to offer value for money if it can achieve the higher rates of performance the Department now expects.<sup>2</sup>*

Recent Work Programme evaluation relating to the experiences of participants has also identified problems with effectively supporting 'harder-to-help' groups, often as a result of the way in which support is designed and services are commissioned (through the 'payments-by-results' commissioning model).<sup>3</sup>

The Work Programme's predominant 'work-first' approach, which is delivered by generalist staff and focuses on job search support to get people quickly into work, appears to be unsuited to jobseekers that have more complex needs and greater barriers to employment, and for whom more personalised, asset-based approaches could be more effective. The recent evaluation shows that disabled people and people with health conditions were significantly more likely to feel that they had not received enough support and did not feel ready to progress towards work.<sup>4</sup>

Conversely, research on local authority-led schemes suggests that participants feel that these smaller, local programmes offer higher quality advice and support, and maintain a more dignified relationship with job seekers. This is partly because they are voluntary and caseloads for advisers are smaller.<sup>5</sup> Prime contractors on the Work Programme also continue to focus more on those with better employment prospects, despite greater financial incentives for getting harder-to-help people into sustainable work. Indeed, 'parking' continues to be a problem and the differential payments offered as part of the Payments by Results model are having very little impact on provider priorities.<sup>6</sup> The lack of appreciation in the system for the influence of local economic conditions also exacerbates regional inequalities in employment outcomes.<sup>7</sup>

**Table 1:** *Percentage of Work Programme participants aged 25 and over that have moved into employment lasting six months or over after completing the Work Programme, compared to original expectations (based on figures until March 2014).*

Original forecast	39%
Minimum performance levels	33%
Bidders' original expectations	42%
Actual outcomes	27%

Source: National Audit Office (2014) *The Work Programme: Report by the Controller and Auditor General*. London.

**Table 2:** *Percentage of ESA claimants on the Work Programme that have moved into employment, compared to original and revised expectations (based on figures until March 2014).*

Original performance expectations	22%
Revised performance expectations	13%
Actual outcomes	11%

2. National Audit Office (2014) *The Work Programme: Report by the Controller and Auditor General*. London. Available at: [www.nao.org.uk/report/the-work-programme](http://www.nao.org.uk/report/the-work-programme) The figures on the portion of ESA claimants are included in Department for Work and Pensions (2014) *Quarterly Work Programme National Statistics to Sept 2014*. Available at: [www.gov.uk](http://www.gov.uk)
3. Meager, N., Newton, B., Sainsbury, R., Corden, A., and Irvine, A. (2014). *Work Programme Evaluation: the participant experience report*. Department for Work and Pensions. London. Also see Foster, R., Metcalf, H., Purvis, A., Lanceley, L. et al. (2014) *Work Programme Evaluation: Operation of the commissioning model, finance and programme delivery*. London.
4. Ibid.
5. Foster, R., Byles, H. and Rajkumar, R. (2015) *London Employment Provision: Qualitative experiences of employment support*. Centre for Economic and Social Inclusion.
6. House of Commons Public Accounts (2014) *The Work Programme: Twenty-first Report of Session 2014-15*. London: The Stationary Office Limited.
7. Davies, B. and Raikes, L. (2014) *Alright for Some? Fixing the Work Programme, Locally*. IPPR North: Newcastle.

Statistics from the recent participants' survey broadly reflect official figures and show that after six months on the programme 22 percent of participants had been in employment at some point during the six months, with 18 percent currently employed at six months. After two years on the programme, 44 percent had been in employment at some point during the two years, with 33 percent currently employed at 24 months.

Nevertheless, the survey shows that Work Programme participants were far more likely to be in part-time or temporary jobs than the general UK workforce. Two years after Work Programme attachment, only 52 percent were in a permanent job, with 44 percent employed on a casual basis or on some form of fixed-term contract.

Moreover, there are particular groups of people that find it especially difficult to find work while on the programme, including older participants, those with health conditions or disabilities, those in more deprived local labour markets; and those that lack prior work experience. Almost 90 percent of ESA claimants on the Work Programme (those with an illness or disability that impacts their ability to work) have not found employment.<sup>8</sup>

Despite the improvements in the performance of the Programme, participants were also generally ambivalent about the degree to which the Programme itself helped them find work. By the time of the second wave of the survey, 52% reported that the Work Programme played no role in helping them find work. The qualitative interviews suggested that many participants felt job advisers played a role in identifying vacancies but little beyond that.<sup>9</sup> A recent report by the Public Accounts Committee recommended that the Department for Work and Pensions (DWP) should introduce control groups for future welfare-to-work initiatives to ensure that value for money can be meaningfully determined.<sup>10</sup>

8. House of Commons Public Accounts (2014) *op. cit.* p. 6.
9. Ibid. It is also important to note that because the Work Programme was rolled out nationally simultaneously, there was no pilot with a 'control group for evaluating the impact of the programme on employment outcomes.
10. House of Commons Public Accounts (2014) *op cit.*, p. 6.

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## 1a. Transforming welfare-to-work?

There is growing recognition by policymakers and practitioners that the long term unemployed, and in particular those that are 'hardest-to-help,' would benefit from a radically different model of employment support. They are keen on a model that is:

- Significantly more individually tailored and personalised;
- Far more focused on building capacity and developing human capital (rather than following a 'work-first' approach);
- Locally commissioned (or co-commissioned) and linked to; the assets and knowledge particular to local labour markets;
- Offers integrated funding and support that cuts across service areas, including health, housing and social care.

The evidence indicates that local economic conditions, such as the strength of the labour market and the supply of jobs, have a strong impact on the employment outcomes of people on the Work Programme, but that the current system of provision takes very little account of this and is not meaningfully aligned to local growth and skills needs.<sup>11</sup> Local government, through its knowledge of local communities, is ideally placed to act as a strategic anchor, aligning locally commissioned welfare-to-work initiatives with strategies for local economic development and broader public service reform programmes. There is growing evidence of this “strategic anchor” role, for example:

- Community Budgets approaches are enabling councils to coordinate services and use public resources more effectively to help those with the greatest need. These approaches are linking multiple agendas (including health, housing, social care and employment and skills) and helping the most disadvantaged individuals and communities to overcome multiple barriers and achieve more sustainable outcomes. A review by Ernst & Young in 2013 found that they had “the potential to deliver better outcomes and to realise substantial financial benefits,” with a potential 5 year net benefit of £9.4bn-£20.6bn if they were rolled out across the country.<sup>12</sup>
- Locally commissioned job schemes can be more effective than the Work Programme.<sup>13</sup> Research by the National Institute for Economic and Social Research (NIESR) for the Local Government Association (LGA) found that some of the local authority-led programmes it examined achieved better outcomes than the national programme, particularly for the hardest-to-help. In some cases, there was far better value for money. For example, North Tyneside’s and Surrey’s work programmes had cost per outcome figures of £1,052 and £1,380, respectively, compared to £4,650 for the Work Programme (though it is important to note that local and national work programmes have different outcome measures and direct comparisons with the national programme may be unfeasible).<sup>14</sup> There is qualitative evidence to suggest that local provision of personalised and tailored employment support, drawing on local knowledge, partnerships and community resources and assets, as well as strong links with other services such as mental health, is effective in meeting the needs of those with multiple barriers to work, for whom the Work Programme offers little.<sup>15</sup> The research by NIESR found that their success was linked to effective leadership, local knowledge and expertise in skills and employment:

*Local authorities' leadership position within their towns, cities and regions, combined with their localised knowledge, enabled them to forge*

11. Davies, B. and Raikes, L. (2014) *op. cit.*
12. Local Government Association (2013) *Whole Place Community Budgets: A Review of the Potential for Aggregation*. Ernst & Young. It is important to note that the estimate is sensitive to assumptions about other parts of the country being able to effectively replicate the approaches followed in the pilots.
13. See for example Harrison, J. (2013) *Getting London Working: A 10 point plan to improve employment provision*. London Councils. Also see Local Government Innovation Taskforce (2014) *Final Report: People-powered public services*.
14. Rolfe, H., Portes, J., and Hudson-Sharp, N. (2015) *Local authority schemes supporting people towards work: An independent report for the Local Government Association*. National Institute for Economic and Social Research. Work Programme statistics found in National Audit Office (2014) *op. cit.*, p. 38.
15. Foster, R., Byles, H. and Rajkumar, R. (2015) *op. cit.* and Rolfe, H., Portes, J., and Hudson-Sharp, N. (2015) *op. cit.*



*partnerships, map provision, identify local needs and gaps and to build referral networks. Rather than set up services in competition, they brought them together, providing a one-stop-shop and referral point for coordinated services. Individuals' multiple needs could then be identified and addressed through referral to the widest possible range of appropriate services.*<sup>16</sup>

- Many local areas are negotiating with government for employment support services to be devolved as part of their 'City Deals'. Eight central London councils, together with the government, Mayor of London and London Councils, recently launched an £11m pilot ('Working Capital') to help 4,000 ESA claimants that have left the national Work Programme without finding work after two years. The model of support will be radically different, using multi-skilled case workers that are able to develop personalised plans and ensure integrated support that includes specialist services such as mental health and specific skills training. A core part of this is greater flexibilities for the councils involved, so that the offer to programme participants is coherent and joined up.<sup>17</sup> Working Capital follows from Greater Manchester's Work Programme Leavers scheme, which has similarly brought services together and offered more personalised support to improve the employment outcomes of ESA claimants. If they are successful, these pilots will provide a robust evidence base for the benefits of locally designed, commissioned and delivered employment support programmes.

16. Rolfe, H., Portes, J., and Hudson-Sharp, N. (2015) *op. cit.*
17. See Central London Forward (2015) *CLF launches Working Capital pilot*. January 20, 2015. Available at: [www.centrallondonforward.gov.uk/news/clf-launches-working-capital-pilot](http://www.centrallondonforward.gov.uk/news/clf-launches-working-capital-pilot)
18. G4S (2014) *Bringing Localism into Employability Commissioning*.
19. Centre for Regional Economic and Social Research and Institute for Employment Research (2014) *Evaluation of Talent Match Programme: Annual Report*.

While the evidence base is emerging, current research clearly underscores the need for a more substantial role for local authorities in designing and delivering employment support services. Despite there currently being some scope for locally tailored delivery, for example through the Work Programmes Pure Prime Contractor Model, where 100 percent of delivery is subcontracted to local organisations, local authorities and other organisations nevertheless have a very minimal influence on shaping these interventions in the absence of a stronger commissioning role.<sup>18</sup>

Co-producing tailored support can also drive better outcomes. Talent Match, a Big Lottery Fund programme tackling youth unemployment in 21 Local Enterprise Partnership (LEP) areas, involves engaging young people directly in the co-design and delivery of the programme. Over the next five years (from 2014) it aims to support 25,000 young people, with 20 percent moving into sustainable employment.<sup>19</sup> Qualitative research underscores the value of co-production in the design and delivery of employment support, with reflections from Talent Match participants highlighting that involving young people in design and delivery in this way helped enhance their confidence, improved their links with employment and skills opportunities and allowed them to engage

with employers more effectively.<sup>20</sup> Personal budgets approaches to employment have also highlighted the potential of co-production.<sup>21</sup>

## 1b. Devolving welfare-to-work

Proposals for devolving welfare-to-work programmes fall into a spectrum of three broad and potentially overlapping categories, varying according to the degree of devolution they call for:

- Local by default. Some argue that employment support services should be commissioned at the most local level by default. This would mean the Work Programme for all participants would be devolved to a level that is responsive to the needs and aspirations of local communities.<sup>22</sup> This would involve a strong role for local authorities, working in partnership with local people.
- Devolving to economic regions. This would see employment support strategically commissioned across functional economic geographies, for example through LEPs or Combined Authorities where these exist.
- Joint commissioning and localising support for the hardest-to-help. This would retain the government's primary commissioning role but ensure it aligns with the economic geographies of LEP areas and better draw on the skills and expertise of local authorities. Local authorities would work with the DWP to design contracts and jointly commission service providers. Employment support for those hardest-to-help would be completely devolved to local authorities, who are better placed to provide a coordinated and personalised offer that better meets the needs of the hardest-to-help.<sup>23</sup>

While the first two categories would be the most ambitious in terms of enabling the strategic leadership role of local authorities, the improving performance of the Work Programme for the 'easier-to-help' groups combined with concerns about the financial risks of complete devolution has meant that the likely policy and practice trajectory is heading towards a model of joint commissioning between central and local government. Proponents of this approach argue that joint commissioning would ensure welfare-to-work initiatives are locally accountable and coherently aligned with local economic needs and strategies, while minimising financial risk and maintaining the purported benefits of the government's primary commissioning role. Indeed, even Work Programme providers are emphasising the need for a greater role for local authorities to influence commissioning and ensure local accountability.<sup>24</sup> There is also a growing backing for local authorities to directly commission employment support services for 'harder-to-help' groups. Pilots such as Greater Manchester's Work Programme Leavers scheme and London's Working Capital programme are currently testing this and it is likely to be a key pillar of future reform of the Work

20. Atfield, G., Bashir, N., Crisp, R. and Powell, R (2014) *Talent Match Case Study Theme Report*.

21. See for example Tarr, A. (2011) *Personalising welfare to work: the case for personal welfare budgets*. Centre for Economic and Social Inclusion.

22. See for example Locality (2013) *Locality Response to the DWP 2013 Commissioning Strategy for welfare-to-work outcomes and services*. Available at: [www.locality.org.uk/resources/work-programme-commissioning-locality-response](http://www.locality.org.uk/resources/work-programme-commissioning-locality-response).

23. See Davies, B. and Raikes, L. (2014) *op. cit.* Also see Cooke, G., Pennycook, M. and Stirling, A. (2015) *Promoting contribution: boosting employment opportunity for all*. London: IPPR.

24. G4S (2014), *op. cit.*

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## 2. Skills, growth and regeneration

The UK faces significant challenges around economic productivity and skills. Many argue that this is not being adequately addressed by a system that is centralised, fragmented and not properly aligned to the needs of local economies.

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### 2a. Skills shortages

The UK faces a significant and persistent challenge of skills shortages. The latest Workforce Survey by the British Chambers of Commerce (BCC) found that a skills shortage in at least one key area among its workforce was identified by 92 percent of businesses.<sup>25</sup> In London, according to a recent report by KPMG and the London Chambers of Commerce and Industry (LCCI), poor levels of training provision are exacerbating the gap between skills and demand in construction and jeopardising the delivery of large infrastructure projects and house building targets.<sup>26</sup> The research suggests that better coordinated government support, stronger business partnerships between businesses, Chambers, training providers and colleges, could help address this and drive a move towards a high skill, high wage economy.<sup>27</sup>

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### 2b. The transition from education to work

The link between education and skills is a systemic problem in England with departmental responsibility, funding regimes and accountability based across the Department for Education (DfE) and the Department for Business, Innovation and Skills (BIS) for pre-16 and post-16, respectively. There is no sense of pathway from early years all the way into secondary, further/higher education, work-based learning and training. Lack of a clear pathway (or number of pathways, each easy to navigate and switch between) has been an issue policy makers have been talking about for decades.<sup>28</sup>

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### 2c. Problems with the skills system

As a recent report by the Skills Commission concludes, the current system of skills funding and provision is highly fragmented and unresponsive to the changing labour market (which is characterised by the rise of self-employment and insecure employment, increasingly flexible patterns of work, a decline in traditional structured career pathways, and greater responsibility placed on individuals to source and fund their own training), which acts as a serious barrier to employer engagement; weakens links between skills and employment, thereby harming social mobility

25. British Chambers of Commerce (2014) *BCC Workforce Survey 2014: Firms investing to counter persistent skills shortages*. Available at [www.britishchambers.org.uk](http://www.britishchambers.org.uk)
26. Barrett, S., Hanna, K. and Ullah, S. (2014) *Skills to build: LCCI / KPMG Construction Skills Index (London and the South East) 2014*. London: Chamber of Commerce and Industry.
27. See *ibid.*, and British Chambers of Commerce (2014), *op. cit.* See especially the infographic of the Workforce Survey, available at: [www.britishchambers.org.uk/policy-maker/policy-reports-and-publications/workforce-survey-2014-infographic-part-3.html](http://www.britishchambers.org.uk/policy-maker/policy-reports-and-publications/workforce-survey-2014-infographic-part-3.html).
28. The fragmentation between central government departments is highlighted by The Skills Commission (2014) *Still in tune? The skills system and changing structures of work. A report by the Skills Commission*. London: Policy Connect.

and potentially exacerbating skills shortages; and stifles local innovation and coordination.<sup>29</sup>

Navigating the system is not only problematic for employers, but it also makes it more difficult for councils to develop strategic and coherent place-based strategies for growing local economies. In its business case for its whole place community budget, Essex County Council mapped the local skills and employability ecosystem and found that “the way [in which] the public sector engages with employers can be bewildering with no strategic coherence.”<sup>30</sup> This is supported by evidence from the All Party Parliamentary Group on Local Growth.<sup>31</sup>

A recent review by Shared Intelligence for the LGA found that as of July 2014 there were 124 separate pots of government funding for local growth and regeneration, totalling over £22bn, with half of these requiring councils, businesses and charities to bid for money.<sup>32</sup> The experiences of practitioners that are delivering economic and regeneration projects in the current funding landscape suggests that the complexity of this system exacerbates the administrative burden and makes projects that rely on multiple funding pots difficult to deliver when funds have different and at times competing objectives and criteria, and different evaluation and reporting requirements.<sup>33</sup> Alex Pratt, Chairman of the LEP Network, argues that this reveals the “unhealthy extent to which the over-centralisation and fragmentation of strategic influence over the factors of production has led to damaging instability, inefficiency, and delays in realising economic opportunities.”<sup>34</sup>

A single, devolved pot of funding would simplify the system and enable those with the greatest knowledge of local areas to connect skills provision with strategies for employment, growth and community resilience. There is growing policy recognition of the need for much greater devolution linked to place-based strategies, including:

- In 2012, Lord Heseltine’s review *No Stone Unturned* called for “enhanced roles” for LEPs and the local chambers of commerce, and the creation of a single pot of funding for large parts of the skills, infrastructure, business support, employment support, housing, and regeneration budgets controlled by central government.
- Lord Adonis’s Growth Review *Mending the fractured economy* (July 2014) recommended significantly improving LEP governance and empowering them, in partnership with local authorities, with more devolved budgets for skills, infrastructure and economic development (including the entire adult skills budget). It also recommended the encouragement of the setting up of Combined Authorities.<sup>35</sup>
- The RSA’s City Growth Commission recommended a significant shift, in policy and finance, from the centre to metros including greater fiscal flexibilities and the devolution of adult skills budgets, underpinned by place-based budgeting and investment strategy.<sup>36</sup>

29. The Skills Commission (2014) *op. cit.*
30. Whole Essex Community Budgets (2013) *Whole Essex Community Budgets Programme: Skills for Economic Growth. Business Case (February 2013 revision)*. Available at: [www.weceb.org.uk](http://www.weceb.org.uk)
31. See for example All Party Parliamentary Group on Local Growth, Local Enterprise Partnerships and Enterprise Zones (2013) *Skills and employment in the age of Local Growth Deals*.
32. Shared Intelligence (2014) *Fragmented funding: Final report for the LGA*. London: Shared Intelligence.
33. *Ibid.*
34. Local Government Association (2014) *Costly government bureaucracy is holding back growth, councils and businesses warn*. LGA media release 3 July 2014. Available at: [www.local.gov.uk/media-releases/-/journal\\_content/56/10180/6329420/news](http://www.local.gov.uk/media-releases/-/journal_content/56/10180/6329420/news).
35. Lord Andrew Adonis (2014) *Mending the fractured economy: Smarter state, better jobs. Final report of the Adonis Review*. London: Policy Network.
36. The City Growth Commission (2014) *Unleashing Metro Growth: Final recommendations of the City Growth Commission*. London: RSA.

- The IPPR North's *Decentralisation Decade* report, published in September 2014, made a series of recommendations for a ten year programme of decentralisation, including the devolution of the entire Skills Funding Agency budget to LEPs or Combined Authorities.<sup>37</sup>
- ResPublica's report *Devo Max – Devo Manc: Place-based public services* (September, 2014) provided a roadmap for devolving all Manchester public spending to Greater Manchester Combined Authority. As part of the new settlement, Greater Manchester should commit to devolving further to localities to ensure initiatives are as close to communities as possible.<sup>38</sup>
- The report of the Smith Commission on further devolution in Scotland (November 2014) recommended the Scottish Parliament be given a new powers of taxes and welfare payments. It also recommended that the Work Programme is devolved once the current contracts expire. The Commission also recognised the need for devolution beyond Holyrood and down to local authorities and communities.<sup>39</sup>
- The LGA is calling on government to devolve all funding for local growth, regeneration, skills and employment support through councils to LEPs in a single investment fund.<sup>40</sup> Its recent report, *Investing in our nation's future: the first 100 days of the next government*, provides a number of fully-costed recommendations for achieving this.<sup>41</sup> It also has independent commissions examining growth and public services in non-metropolitan economies, and local government finance (see below).
- The report of the Independent Commission on Local Government Finance proposed, over a 10 year period, devolution of powers, funding and taxes to the sub-national level for those that are ready, which may lead to £200bn in annual public spending being controlled at a sub-national level. Sub-national organisations would then collaborate across traditional service boundaries to achieve better outcomes. For 'pioneers' reforms could include single place-based budgets and the establishment of Local Public Accounts Committees to oversee value for money.<sup>42</sup>
- The "Northern Powerhouse" announcement in the Chancellor's Autumn Statement (2014) included a commitment to devolve significant areas of spending including skills and housing, to Northern cities. The Chancellor also announced plans for a directly elected mayor for Greater Manchester and £1bn in devolved funds.

Despite the growing consensus around devolution, central government remains reluctant to cede significant powers. For example, the government's response to the Heseltine Report was to set aside only £2bn for a local growth fund, far lower than the report's recommendation to devolve £58bn over four years from

37. Cox, E., Henderson, G. and Raikes, L (2014) *Decentralisation decade: A plan for economic prosperity, public service transformation and democratic renewal in England*. Institute for Public Policy Research. Newcastle Upon Tyne: IPPR North.

38. Blond, P. and Morrin, M. (2014) *Devo Max – Devo Manc: Place-based public services*. ResPublica.

39. The Smith Commission (2014) *Report of the Smith Commission for further devolution of powers to the Scottish Parliament*. Edinburgh: The Smith Commission.

40. Local Government Association (2014) *LGA briefing for House of Lords debate on economic leadership for cities*. Available at [www.local.gov.uk](http://www.local.gov.uk)

41. Local Government Association (2014b) *Investing in our nation's future: The first 100 days of the next Government*. London: Local Government Association.

42. Independent Commission on Local Government Finance (2015) *Final Report: Financing English Devolution*. London: Independent Commission on Local Government Finance.

Whitehall to the regions. Since Lord Heseltine's report was published, the number of central government funding streams for growth has doubled.<sup>43</sup> The plans for a "northern powerhouse" also do not include significant new tax powers for cities.<sup>44</sup>

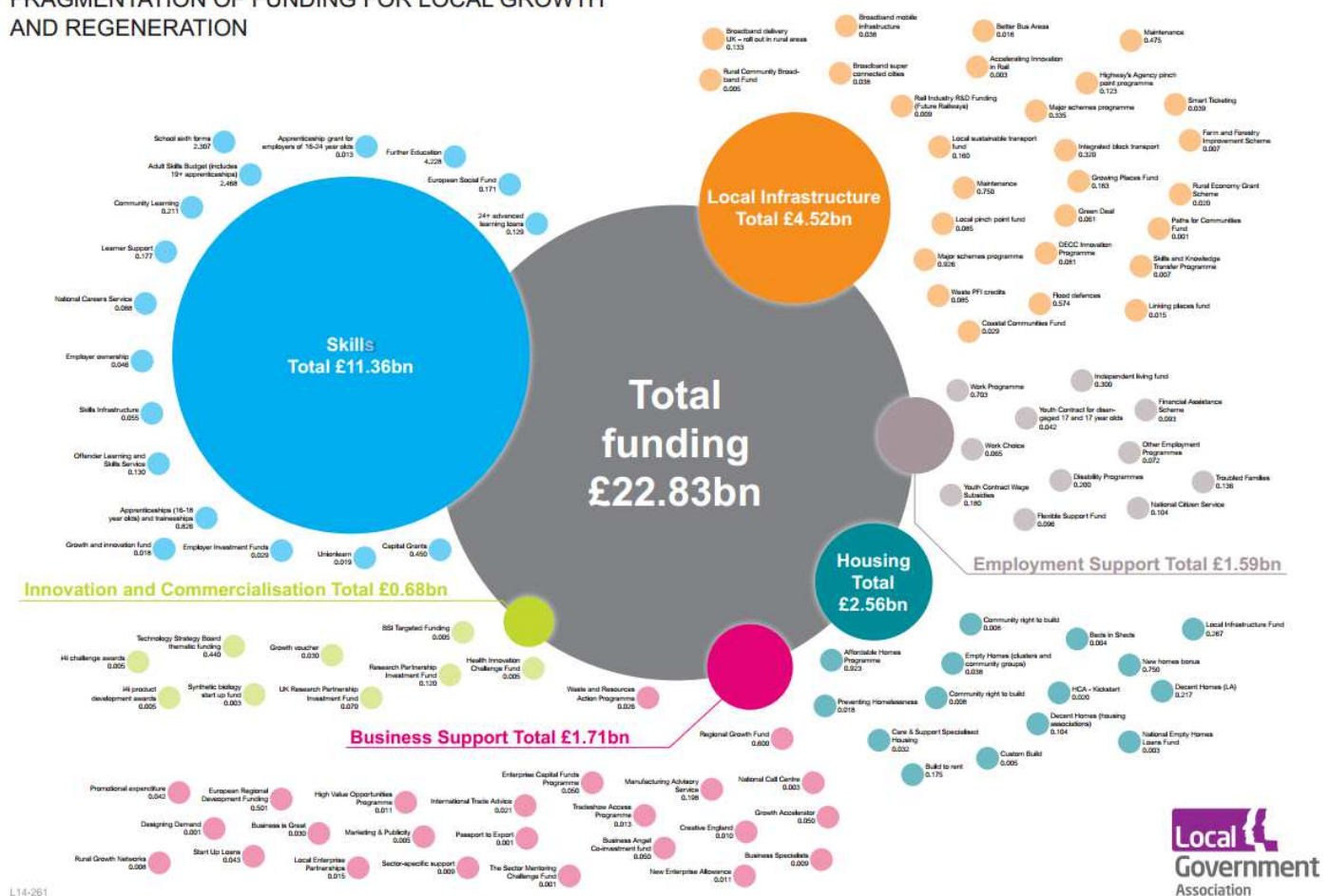
There is also a gap in current thinking and practice on how strategic, place-based strategies can meaningfully connect with and promote community-based resources and the social capacity of local people, businesses and organisations. As evidence from this section, and the case studies from cooperative councils later on, shows, it is councils' community anchoring, development and facilitation role that makes them ideally placed to provide leadership in improving the economic outcomes of local people, particularly those that are regarded as being hardest-to-help.

43. Local Government Association (2014) *op. cit.*

44. See Parker, G. (2014) *Osborne to back 'northern powerhouse'*. The Financial Times UK Politics and Policy section. Available at: [www.ft.com/](http://www.ft.com/).

## Infographic: Fragmentation of Funding for Local Growth and Regeneration (The Local Government Association, 2014)

### FRAGMENTATION OF FUNDING FOR LOCAL GROWTH AND REGENERATION



View full sized infographic at: [www.local.gov.uk/documents/10180/1157/Funding+fragmentation+infographic.pdf](http://www.local.gov.uk/documents/10180/1157/Funding+fragmentation+infographic.pdf)



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### 3. The role of business in society

The financial crisis brought the role of business in society into sharp focus for people across the political spectrum. In 2009 the Sarkozy Commission, set up by then French President Nicholas Sarkozy to examine the limits of Gross Domestic Product as a measure of economic wellbeing, called for a reshaping of how we define economic success, looking beyond traditional models of growth that prioritise narrow measures of economic output (such as GDP) and appreciating the relationship between wellbeing, environmental sustainability and economic prosperity.<sup>45</sup>

In the UK, as the welfare bill has grown, some have asked whether it is reasonable for the public sector to continue to effectively ‘subsidise’ businesses and employers, for example through in-work benefits, that pay their employees low wages. Some argue that businesses receive significant amounts of “corporate welfare,” but that there is very little transparency about this and very little exploration of how public investment in business can be better designed to promote reciprocity in the same way that conditionality is applied in social welfare provision. But it is also evident that business leadership on key economic and social challenges is constrained by a skills, employment and growth system that is fragmented, over-centralised and poorly aligned to economic and community geographies. Local and national government, in partnership with businesses themselves, have the potential to develop policy and design services that strengthen the role of business in creating social value.

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#### 3a. ‘Corporate Welfare’

There is an emerging body of research that seeks to better understand, evaluate and scrutinise what some have termed ‘corporate welfare’ – public policies, including direct and indirect forms of financial and in-kind support, that “directly or indirectly meet the specific needs and/or preferences of private businesses.”<sup>46</sup> Proponents argue that while sophisticated systems, models of provision and methods of evaluation to assess value for money have emerged for social welfare – for example conditionality in the benefits system, or cost-benefit analyses of welfare-to-work schemes – there is very little analysis, assessment, or public or policy debate about ‘corporate welfare’.<sup>47</sup> Despite recent critique from academics like Mariana Mazzucatto,<sup>48</sup> there is an enduring perception that the state is a hindrance rather than a crucial enabler of business growth and innovation. This stifles efforts to find innovative and effective ways of using public investment as a tool for encouraging and incentivising business

45. Professor Stiglitz, J.E., Professor Sen, A. and Professor Fitoussi, J. (2009) *Report by the Commission on the Measurement of Economic Performance and Social Progress*. Available at: [www.stiglitz-sen-fitoussi.fr/documents/rapport\\_anglais.pdf](http://www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf).

46. Farnsworth, K. (2013) *The British corporate welfare state*. *Renewal*, Vol. 21, No. 4.

47. Ibid.

48. See for example Mazzucatto, M. (2013) *Let's rethink the idea of the state: it must be a catalyst for big, bold ideas*. *The Guardian Comment is Free*. Available at: [www.theguardian.com/commentisfree/2013/dec/15/george-osborne-public-spending-taxpayers-money](http://www.theguardian.com/commentisfree/2013/dec/15/george-osborne-public-spending-taxpayers-money).



activity that boosts growth and productivity but also simultaneously supports broader social goals.

Research by Kevin Farnsworth has sought to analyse and audit 'corporate welfare' in Britain. He distinguishes between three types of welfare in Britain: (1) 'Social welfare', covering benefits and services that directly benefit citizens; (2) 'Social-corporate welfare', which aims to satisfy the needs of both citizens and business, for example by tackling the inefficiencies of employment markets through benefits, infrastructure projects, and education and skills programmes; (3) 'Corporate welfare', where provision is directly targeted at businesses, such as through procurement, tax breaks and business support.

*Farnsworth's (2013) description of the 'corporate-social welfare continuum':*

	Systemic need satisfiers (collective and general business needs)		Specific need satisfiers (individual companies)
<b>Social welfare</b> Covers benefits and services that most directly meet the needs of individual citizens and bring fewest benefits to corporations. This is not to suggest that such benefits exclusively benefit individual citizens. They may bring real benefits to individual companies that, for instance, contract with the state to deliver services in these areas. More generally, social spending helps to distribute and reduce some of the risks associated with 'doing business', including helping to create social harmony, reduce crime, and create better environments for retail. Social welfare expenditure can also increase labour market flexibility and provide natural 'stabilising' effects by shoring up consumption during economic downturns when some will lose their jobs.		Personal / Social services  Social housing  Criminal justice policy  Health care	
<b>'Social-corporate welfare'</b> Helps to satisfy (and possibly reconcile) the key needs of citizens and businesses. It includes provision that is closely linked to tackling the inefficiencies of employment markets and smoothing the natural cycle of boom and bust within capitalist economies. Much of this provision tends to be thought of as 'citizen-centred' but it is often shaped as much by the needs and demands	Unemployment benefits  State pensions	Infrastructure spending on road/rail network and postal system  Education  Professional training Programmes	Tax breaks (fiscal welfare) for private housing, health care, education, etc.

of businesses as it is the needs of citizens.		Wage subsidies	
<b>Corporate welfare</b> Constitutes provision that is most directly targeted at businesses. Without this provision, it would be difficult or impossible to establish and grow a modern business. Not all businesses need the exact same forms of provision and in the same quantity, and businesses are likely to need different forms of provision at different times throughout their 'life course'. But benefits and services delivered by government under this category help to satisfy general business interests and maintain and even shape the particular form of capitalism that evolves and prevails.	State legal instruments that define and facilitate the basis of ownership, trade, employment and appropriation of profits.  Fiduciary system and sufficiently liquid cash supply	State-sponsored marketing and promotional activities  Publicly funded research programmes  Private sector transfers and favourable purchasing agreements, including privatisations	Procurement  Government equity purchases (agreement to buy significant shares)  Government advice and support services  Targeted state training programmes  Insurance and risk-management services  Low-cost government loans/loan guarantees  Direct grants  Investment and R and D subsidies  Corporate tax breaks

49. Farnsworth, K. (2013), *op. cit.*

Farnsworth's analysis shows that:

- In 2014-15 a total of £17bn of subsidies and capital grants was expected to be provided to private sector companies, an increase of over £2bn from 2011-12. This was calculated using data from the government's Public Expenditure Statistical Analysis (PESA) accounts.
- Corporate tax benefits, including capital allowances and tax breaks for R&D and investment, had a total value of £36.7bn in 2011-12. This fell slightly to £36bn in 2012-13.
- Government provision to individual companies totalled £323m between 2005 and 2011. For example, Rolls-Royce alone received over £34 million in 2010.<sup>49</sup>

### 3b. Business and society

Many businesses are thinking more seriously about how they can re-examine their core business models in order to look beyond narrow profit maximisation to maintaining long-term

competitiveness by enhancing social contributions. There is emerging evidence that long-term profitability is correlated and mutually reinforcing with the contribution business activity makes to social outcomes. As Business in the Community (BITC) notes, “the prosperity of business and society are tied together. One cannot succeed without the other.”<sup>50</sup> A number of approaches, toolkits and accounting frameworks have emerged to embed this thinking into practice.

### **Triple bottom line**

Triple bottom line is an accounting framework that enables businesses to have a more comprehensive understanding of their impact and performance beyond traditional measures of profitability. It comprises three parts: social, environmental and financial (often described as the three Ps: people, planet and profit).

### **Shared Value**

‘Shared value’ is a concept developed by Michael Porter and Mark Kramer at the Harvard Business School. It describes business practice that looks beyond Corporate Social Responsibility (CSR), which tends to be piecemeal and an extension of a company’s public relations activity, and embeds social purpose into core business practice so that profitability is linked to social objectives. Shared value aims to “create economic value in a way that also creates value for society by addressing its needs and challenges.”<sup>51</sup> As a report by Accenture notes, this approach enables companies to “overcome the traditional strategic and operational divisions between advancing the performance of the enterprise and promoting the wellbeing of citizens and the community.”<sup>52</sup> Shared value encompasses the following:

- **Reconceiving products and markets** to identify unmet needs and develop profitable products or services to meet these
- **Redefining productivity in the value chain** – addressing social and environmental constraints to drive up the productivity of a company and its suppliers
- **Local cluster development** – investing to strengthen social assets that are most connected with a company’s growth and productivity.<sup>53</sup>

Examples of shared value in practice include companies that have developed innovative mobile money transfer systems to create opportunities for low-income people to access financial services.<sup>54</sup>

### **Community Investment**

Similarly to ‘shared value’, community investment is an approach that extends beyond philanthropy or CSR and involves a strategic investment in supporting communities to tackle the challenges that they face. It is about understanding and leveraging the impact of a company’s practices – for example where it is based, who it hires, how it uses its supply chain – on local communities. BITC has

50. **Business in the Community (2014)** *It’s time for a new contract between business and society*. Available at: [www.bitc.org.uk/sites/default/files/bitc\\_core\\_brochure\\_2014.pdf](http://www.bitc.org.uk/sites/default/files/bitc_core_brochure_2014.pdf).
51. **Porter, M.E. and Kramer, M.R. (2011)** *The Big Idea: Creating shared value*. Harvard Business Review.
52. **Accenture (2011)** *Business at its best: Driving sustainable value creation*. Available at: [www.accenture.com](http://www.accenture.com).
53. **Porter, M.E. and Kramer, M.R. (2011)**, *op. cit.* See also: [www.sharedvalue.org/about-shared-value](http://www.sharedvalue.org/about-shared-value).
54. **For case studies, see** [www.sharedvalue.org/about-shared-value](http://www.sharedvalue.org/about-shared-value).

developed a set of principles of community investment that outline how to 'do' effective community investment (see diagram below). It has also set out a clear business case, showing how community investment can benefit businesses, including through enhancing the skills of their workforce; delivering brand value and reputation; providing direct financial impacts such as saving on training through volunteering programmes; and promoting organisational growth through a better understanding of the needs of communities (and customers).<sup>55</sup> BITC has developed a set of tools to enable companies to gain a strategic understanding of their impact on communities. For example, Community Footprint is a tool that helps companies understand and manage their local socio-economic impact.<sup>56</sup> In 2012, the RSA undertook a qualitative study to assess the impact and potential of a B&Q store in Sutton on its local community. It found that businesses have significant potential to:

- Foster stronger local relationships, including by using their facilities and assets to promote community action or build people's social connections
- Build the skills and confidence of local communities
- Use their purchasing power to support local economic improvement, for example by using supply chain innovations to support local traders or create local jobs
- See themselves as providers of goods and services that benefit local people
- Create strategic alliances, including with local authorities, to align social impact to the needs of local communities.<sup>57</sup>

More recently the RSA undertook research examining the social value potential of retail, supported by qualitative research in a number of ASDA stores involved in its 'Community Life' programme. The report proposed a "community venturing model" that better aligns core business practices with social goals. To put this into practice, it recommended retailers to:

- Develop insights into how core business practices can promote social value
- Strategically invest in community development
- Transform CSR activities into a community venturing function for achieving shared value
- Embed shared value into the objectives and priorities of a business through developing coherent frameworks outlining the outcomes a business is seeking to achieve and establishing key performance indicators for measuring progress.<sup>58</sup>

Some businesses have played a proactive role in supporting the localism agenda. For example, the Community First programme, which aims to help communities come together to identify their strengths and local priorities to build community resilience, is being delivered in collaboration with businesses that are strongly placed, through their customer base and reach within communities, to

55. See [www.bitc.org.uk/issues/community/community-investment](http://www.bitc.org.uk/issues/community/community-investment).

56. See [www.bitc.org.uk/services/communityfootprint](http://www.bitc.org.uk/services/communityfootprint).

57. Neumark, T., Norris, E., Marcus, G. and Broome, S. (2012) *The Community Footprint: shared value for business and communities*. RSA.

58. Schifferes, J. (2014) *Shopping for shared value*. RSA.

engage and support local social action. Evaluation of the programme suggests that it has had a significant impact in driving increased community activity and building stronger local network to enhance community wellbeing.<sup>59</sup>

Larger businesses can also play a key role in supporting the development of smaller businesses, such as through innovative value chain relations. 'Trading for Good,' a not-for-profit venture inspired by the government's 'Every Business Commits' agenda, has developed a measurement tool that enables social value reporting that delivers insight into the impacts of value chains, for example apprenticeship creation and volunteering. It helps businesses with:

- Direct engagement with small-and-medium-sized enterprises (SMEs) outside the 'business as usual'
- Measuring indirect social impact created in value chains
- Identifying areas for greater collaboration with SME supply chain partners
- Understanding what impact SMEs have on a local economy.<sup>60</sup>

### **Social enterprise models**

Many enterprises across the country are explicitly driven by a social purpose. Social enterprises, which reinvest their profits back into the community, are growing rapidly. There are estimated to be around 70,000 social enterprises in the UK, employing over a million people and contributing £24bn to the economy. Almost a third of all social enterprises are three years or below in age.<sup>61</sup> Social enterprises have a distinctive advantage in generating economic growth and employment that benefits communities, particularly those that are disadvantaged. Research from 2013 showed social enterprises outperforming traditional SMEs in business growth and innovation, while also having a far more diverse workforce including those in management.<sup>62</sup> There is also evidence to suggest that social enterprises and cooperatives are "recession busters," highlighting their role in supporting resilient communities.<sup>63</sup> Social firms, which are a type of social enterprise that specifically seek to create jobs for the most disadvantaged, have also grown. Recent studies indicate that as well as supporting the most hard to reach individuals, they also account for savings of at least £40m in welfare payments; £8m in health care and £1m in social services.<sup>64</sup> National and local government is increasingly recognising the importance of social enterprises, for example through investment in developing the sector's capacity, growing the market for social investment and reforming procurement practices to favour companies that are able to generate social value.<sup>65</sup>

Despite the developments in business thinking about social value, some argue that in practice the social responsibility and shared value agenda is piecemeal. They also doubt whether it has had a transformative effect on mainstream business practice.<sup>66</sup> This is partly because the agenda has largely been business-driven and hasn't effectively linked with the place-shaping potential of

59. See [www.cdf.org.uk/content/funding-programmes/community-first/programme-evaluation](http://www.cdf.org.uk/content/funding-programmes/community-first/programme-evaluation).

60. See [www.tradingforgood.co.uk](http://www.tradingforgood.co.uk).

61. Social Enterprise UK (2013) *The People's Business: State of Social Enterprise Survey 2013*, p. 6.

62. Ibid.

63. Ibid.

64. See [www.socialfirms.co.uk/about-social-firms/-value-social-firms-and-proving-it](http://www.socialfirms.co.uk/about-social-firms/-value-social-firms-and-proving-it).

65. Social Enterprise UK (2013), *op. cit.*

66. For a critique of 'creating shared value,' see for example Crane, A., Pallazo, G., and Spence, L.J. (2014) *Contesting the Value of "Creating Shared Value"*. California Management Review, Vol. 56, No. 2.

strategic leaders such as local authorities. As the next section shows, it is also because local and in particular national government have failed to develop an institutional framework that promotes and incentivises a new role for business.

### 3c. Business and leadership of place

Lord Heseltine's growth review highlighted how the over-centralisation of economic policymaking and business practice in the UK has constrained the potential for business and other key actors to align economic activity with the needs of their place. As the modern democratic state emerged, the "social agenda" of local leadership developed into a form of governance focused on function controlled by the centre, at the expense of local leaders as entrepreneurs able to catalyse enterprise and create local wealth. In the public sector as well as business, 'enterprising leaders' came to be replaced by 'regional managers' reporting to the centre.<sup>67</sup> As the report notes, "there are still few, if any, dialogues in Whitehall that start with the strengths and weaknesses of place or community."<sup>68</sup> Moreover, and in many respects as a result of over-centralisation:

*The involvement of local business people in the governance of their communities has dwindled, and their energy and innovation has been lost. The local economic leadership that drove the UK to the forefront of the world economy has disappeared.*<sup>69</sup>

Alongside this disconnect between economy and place, the social potential of business has also been constrained by a dominant British business model that encourages short-term profit maximisation at the expense of ensuring long-term competitiveness through investing in society to create the conditions for balanced and sustainable economic growth. This is not simply a consequence of business behaving irresponsibly: seeking short-term profits is in many respects a rational response to the institutional incentives created by prevailing public policy.<sup>70</sup> The separation of the social from the economic hinted by Lord Heseltine has contributed to an economic system where business sees its priority as generating profit for its shareholders, while government has become a "functional monopoly" concerned with social provision, taxation, regulation and redistributing wealth, but concerning itself little with encouraging new forms of leadership and innovation that enable business to contribute more to local communities.<sup>71</sup>

Despite these challenges, the strategic landscape across the country is shifting. Progress towards devolution highlights the potential of business to play a more active role in local and regional governance – for example working strategically with civic leaders through LEPs, Combined Authorities and local authorities at various levels. The growth of "whole place" public service reform is

67. Lord Heseltine (2012) *No Stone Unturned: In pursuit of growth*. London: Department for Business, Innovation and Skills.

68. Ibid.

69. Ibid.

70. See for example Tinker, R. and Wallis, Ed. (2015) *In It Together: Labour's new relationship with business*. The Fabian Society.

71. Ibid.

also opening up opportunities for business to coherently and strategically engage with key agendas – such as public health, wellbeing and community skills and capacity – that directly impact their long term economic success.<sup>72</sup> Many local authorities are using their leadership of place to incentivise business to contribute more to local economies, for example through the use of social compacts and business charters.<sup>73</sup>

**72. See earlier in this chapter for more on local approaches to welfare to work aligning across services.**

**73. For example, Oldham Council has created a Fair Employment Charter where employers pledge to provide work that is ethical, fair and sustainable, for example by paying the living wage. Birmingham has also recently set up a Business Charter for Social Responsibility which signs businesses up to commitments around local jobs, the living wage and using local supply chains. 100 businesses are already part of the Charter.**

# The economic case for cooperative approaches

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This section details how we developed our economic case for cooperative approaches to employment and business support. Our analysis suggests that more general adoption of cooperative approaches could create 90,000 jobs, produce annual savings of around £500m in employment support activity and increase private sector developers' investment in employment and skills from £15m to £225m annually.

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## Summary

**Following a call for evidence, and review of 60 pieces of evidence submitted by 22 organisations, three specific interventions were taken forward to illustrate the economic case for cooperative approaches. These were selected because of their relatively strongly demonstrated outcomes data and cost information, and potential for scalability.**

**We calculate that adopting a cooperative approach to employment support could be worth £500m per year.**

Business in the Community's Ready to Work programme leverages public sector funding to attract private sector resources to support homeless people into employment. The effectiveness of this cooperative approach to employment support for disadvantaged groups has been demonstrated through Social Return on Investment analysis, and we have corroborated this evidence with benchmark data. The DWP budget for 2013/14 includes £1.92bn for labour market activity and programmes. The biggest of these is the Work Programme, at £703m. For reference, benefits such as Jobseekers Allowance (JSA) and ESA were £5.3bn and £9.6bn budget items in 2013/14, respectively.

If cooperative approaches we have examined secure job outcomes for participants at between 25 per cent and 40 per cent



less cost per person than comparable programmes, and this efficiency was realised across the board, it would lead to a saving of between £480m and £767m on expenditure on labour market activity and programmes.

**We calculate that adopting a cooperative approach to business support could see small businesses creating 90,000 jobs.**

Stevenage's Business Technology Centre (BTC) is an enterprise hub for innovation, business incubation and engagement providing integrated business support. The BTC has hosted the creation of 350 jobs in the last five years. If each of the 256 district authorities in England established a similar hub, the resulting small business growth would create 90,000 jobs. Because the Centre generates an income stream, the cost of business support per job is less than half that calculated for previous national programmes.

**We calculate that adopting a cooperative approach to the planning and development process has the potential to secure private sector investment in employment and skills of £225m annually.**

Southampton's employment and skills framework, developed with the Construction Industry Training Board (CITB), maximises local skills and employment opportunities in all major construction, retail and hospitality projects. If every local authority played the coordination and brokerage role played by Southampton Council, we could see the value of developer contributions and commitments to employment and skills, nationwide, grow from £15m – based on the most recent figures (equal to 0.03 percent of development investment).

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## 1. Our focus

This section outlines the focus of our analysis and the sort of evidence we sought to gather in order to examine the economic case for councils adopting cooperative approaches to employment and business support.

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### 1a. Objectives

The specific objectives in pursuing the economic case were to:

- Evidence *whether* cooperative approaches are better value for money (cost-effective) than traditional ones;
- Quantify *how much* (or within what range/order of magnitude) cooperative approaches are better or worse;
- Discern which *common characteristics* are drivers of effective approaches;
- Identify *trade-offs* and *win-wins* to be clear when approaches and outcomes support each other, or when they pull in opposite directions.

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## 1b. Scope of evidence requested

The Commission requested evidence through issuing a pro-forma and guidance note, primarily disseminated online through pre-existing CCIN channels and a wider list of think tanks (such as Collaborate, the new economic foundation) and third sector organisations (such as BITC) and academics with relevant expertise.

These documents asked for evidence of cooperative approaches which tackle one or more of the following social and economic objectives:

- Reduce labour market exclusion<sup>74</sup>/increase labour market participation through focusing on supply-side measures.
- Increase the scale and reach of employment opportunities through demand-side initiatives.
- Increase business activity, and the sustainability and growth of enterprise through business support.

We also requested case study evidence using the pro-forma. Further case studies were documented during each of the three evidence sessions, held in Liverpool, Sandwell and Plymouth.

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## 1c. Characteristics of cooperative approaches

Cooperative approaches to resilience, jobs and enterprise are defined by the Commission as those where interventions<sup>75</sup> demonstrate one or more of the following **characteristics**:

- Cooperative resourcing, management and accountability in partnerships across sectors and between citizens
- Co-production, understood as a relationship where professionals and citizens share power to design, plan and deliver support together
- Any intervention which builds on the value inherent in local assets and local networks

The Commission received over 60 contributions of evidence, from 22 organisations. For the most part, these were local authorities, but submissions were also made by social enterprises and organisations representing business and civil society.

As outlined in the Call for Evidence,<sup>76</sup> the Commission was open to considering evidence of small **projects** (eg in a single neighbourhood, or over a short time-period), or larger **programmes** of work (eg across a wider area or longer-time-frame). In either case, we use a single term - '**intervention**' - to refer to the initiative taken to address any or all of the objectives defined above.

Understanding outcomes and impacts is often best assessed through appraisal, monitoring or evaluation efforts. Outcomes may be directly related to objectives (eg a business expanding to take

74. **Labour market exclusion can be defined as the process through which individuals face barriers to participating in the labour market to their full ability. This could include personal factors such as poor health, social factors such as caring responsibilities, employer behaviours such as discrimination, and wider factors such as the transport accessibility of job locations.**

75. **Interventions can be organised or operated by any combination of organisations – they don't have to involve public sector funding or cooperatives.**

76. **See [www.coopinnovation.co.uk/policy-commission-call-for-evidence](http://www.coopinnovation.co.uk/policy-commission-call-for-evidence).**

on more staff) or indirectly related (eg an individual becoming engaged in regular volunteering).<sup>77</sup>

The most useful evidence, in understanding the economic case for cooperative approaches focus on impacts ('what happened as a result' of the intervention) rather than process ('how it went'). The evidence that we took forward in analysis were those which took into account a high number of the following considerations:

- **Quantitative measurement** of outcomes (eg individuals who gained steady employment), rather than outputs (eg individuals who completed a training course).
- **Change over a time period** sufficient to understand the sustainability of impacts (ie they consider outcomes 'before and after', and the longevity of impacts).
- **Net impact** – taking into account 'what would have happened anyway' (also known as business as usual; the reference case; the baseline, or the counter-factual).
- **Financial impacts** – cost savings or efficiency savings – both cashable and non-cashable; within the delivery organisations and beyond.
- **Wider personal and social impacts** such as on health and well-being for individuals, or social capital and relationships between people.

77. The distribution of outcomes and efficiency of achieving them were also relevant considerations for the Commission – for example, it may be that evidence shows cooperative approaches have quicker or more widespread take-up among local residents, or engage higher numbers or proportions of people who typically do not engage with initiatives.

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## 1d. Categories of intervention used in analysis

### 1. Employment support

We examined employment support targeted at individuals (for example, for the purpose of improving skills or raising employment levels). The rationale for focusing on this type of intervention has been recently outlined by the What Works Centre for Local Economic Growth (WWCLEG). Some of the key conclusions of the WWCLG's meta-analysis of recent studies include:

- There is an established causal link from the local skills base to local earnings and employment growth.
- Training has a positive impact on participants' employment or earnings in more than half the evaluations reviewed.
- Short programmes (below six months, and probably below four months) are more effective for less formal training activity. Longer programmes are effective when the content is skill-intensive, but benefits typically play out over a longer time frame.
- In-firm/on-the-job training programmes outperform classroom-based training programmes. Employer co-design and activities that closely mirror actual jobs appear to be key programme design elements.
- If an employment training programme wants to improve the employment prospects for an individual, it's probably a good idea to involve employers in the design of the programme and through providing on-the-job training.<sup>78</sup>

78. See [www.whatworksgrowth.org/our-work](http://www.whatworksgrowth.org/our-work).

## **2. Business support**

We considered business support initiatives that provided services to businesses such as advice and mentoring, or helped them achieve particular ambitions such as raising productivity. The WWCLEG Evidence Review on Business Advice makes a strong case for the role of business support interventions in boosting economic development. The justification is that information, mentoring and advice can help individual firms and SMEs to grow, which could have ‘spillover effects’ or ‘externalities’ for the economy as a whole, including the creation of more jobs, innovation, or lower prices to consumers.

The RSA City Growth Commission also noted the importance of raising business utilisation of skills to increase productivity, underlining that it is insufficient simply to upskill people. However, some businesses may need support to do this effectively.

## **3. Place leadership**

We assessed place leadership, defining this as strategic actions to broker cooperation between employers, citizens and civil society in addressing labour market mismatches or channelling employment opportunities, for instance.

Local authorities are among the largest employers, and largest purchasers of goods and services, in a given geography. As planning authorities, they also have a regulatory role in issuing permission for all development in the built environment. As education authorities, they also hold some influence over schooling, and post-16 provision of college courses, with schools now responsible for careers advice. However, local authorities do not control or influence the provision of training associated with out-of-work benefits regimes.

Different agencies and departments will be able to contribute more to local economic development by prioritising local suppliers, and by ensuring investment in skills development is targeted in areas of need and demand.

Overcoming challenges of coordination – within and across public and private sectors – is key if cooperative working is to contribute to stronger economic performance.

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## **2. Evidence used in our analysis**

Following a call for evidence, a review was undertaken to assess 60 pieces of evidence submitted (by 22 organisations) for compatibility against the criteria we defined in order to build a robust economic case.

Three specific interventions were taken forward to illustrate the economic case for cooperative approaches. The three examples taken forward to socio-economic modelling were selected because of their relatively strongly demonstrated outcomes data and cost information, and potential for scalability. They cover three types of

intervention that match the categories set out in the scope outline in the call for evidence (ie those that target unemployment, job creation and enterprise), and three types of characteristics of cooperative approaches (ie partnerships, co-production, and leadership to build on local assets and networks).

Twelve other interventions provided evidence which partially met the criteria; highlighting that cooperative approaches can demonstrate relatively high levels of outcomes achievement, and, elsewhere, favourable comparison in the cost of interventions.

The 15 interventions reflect a broad diversity of locally-tailored solutions. While we did not explicitly request process evaluations (which focus on the implementation of interventions), there are common themes across the assessed evidence, which suggest critical success factors. Cooperative approaches tend to be realised through tangible partnerships between private sector interests and public sector agencies, where both have a stake at risk and can see a reward to be realised. Cooperative interventions are usually designed (and sometimes delivered) with strong and genuine input from citizens, including those that participate in the interventions themselves. By these qualities, cooperative approaches tend to be inherently responsive to particular local characteristics.

### **Business in the Community - Ready for Work**

#### *Why is it cooperative?*

Ready for Work works with 140 businesses in 20 cities providing training, work placements and post-placement support to equip people with the skills and confidence they need to gain and sustain employment. Born out of the Business Action on Homelessness campaign, the programme has supported over 2,400 people into work since 2001. Through the Business Action on Homelessness campaign, Ready for Work receives support from seven national business partners – Accenture, Bain & Company, Barclays, Carillion plc, Freshfields Bruckhaus Deringer LLP, Marks & Spencer, Royal Mail and Shire Pharmaceuticals. Their national partners provide leadership, job opportunities and strategic and programme support.

In several locations Ready for Work is delivered in partnership with local agencies – Brighton & Hove City Council, BITC Ireland, The Cyrenians (North East), Scottish Business in the Community and Shekinah Mission (Plymouth). 100 companies have supported Ready for Work as volunteers, Steering Group members, funders or programme coordinators. In 2009/10 a total of £1.03m was invested in running Ready for Work, of which 55 percent was public sector funding and 45 percent was sourced from the private sector.

Participating companies offer placements for Ready for Work clients in return for proven business benefits – eg staff development for the employee volunteer buddies supporting the placements, increased staff satisfaction and engagement

through supporting the programme, and cost effective recruitment for new staff, with Royal Mail, Marks & Spencer and Carillion in particular employing clients following placements. Companies are also charged for the job coach training and ongoing support provided to their employees.

The programme has four stages:

- Registration: Programme managers meet prospective clients, referred by agencies such as homeless hostels, probation and other charities, to ensure they are work-ready.
- Pre-placement training: Training takes place over two days to prepare clients for their placement, building confidence to succeed in the workplace. Companies host training and employee volunteers provide practical support.
- Work placements: Companies provide two week work placements, supporting clients with a trained 'buddy' and offering constructive feedback. They provide a written reference to help clients in their future job search.
- Post-placement support: The Ready for Work club offers all programme graduates access to job coaches, job seeking support and further training. Companies provide employee volunteers to act as job coaches and deliver training

### ***What are the benefits?***

Ready to Work registered 758 clients in 2009-10. 709 completed the two-day training and 655 went on to start a work placement. 549 completed a work placement. Following the programme, 302 entered employment within one year of completing the programme (40 percent), 65 entered voluntary work (9 percent) and 112 (15 percent) entered further training or education. The 12 month retention rate in employment is 76 percent.

The Social Return on Investment (SROI) evaluation, based on data for the 2009-10 cohort, indicates that for every £1 invested in Ready for Work, £3.12 of value is generated for society. Undertaking sensitivity analysis, testing the assumptions on which the model is built, reveals a range of SROI ratios from 2.5 to 4.1.

This social value is made up of the following elements:

- Reduced out of work benefits paid by the government
- Income Tax and National Insurance Contributions paid by clients who are working
- Reduced costs of supporting homeless people in hostels (this is called the Supporting People Grant and is commissioned by Local Authorities through money they receive from the Department for Communities and Local Government)
- Savings in National Health Service costs

- Reduced costs of re-offending.

#### *How do the benefits compare?*

The SROI ratio for Ready to Work is comparable to the benchmark SROI ratio for Tomorrow's People, which was selected because the two studies cover interventions which target the same objectives over a similar time period; they build their analysis from measured and monetised outcomes which are similar (and include health and re-offending costs) and use consistent financial proxies to estimate value created (for example in the form of avoided benefit payments). Notably, Ready to Work deal with a particularly disadvantaged intake, in people who have a recent experience of homelessness. Over half of Ready to Work clients are accommodated in hostels, supported housing, or staying with friends. Given this consideration – working with a cohort that is usually characterised by poor access to labour market opportunities – the achievement of job outcomes at the rate of £3,400 per job is particularly impressive.

It would be facile to claim that Ready to Work is 'better' than mainstream provision of employment support (such as Tomorrow's People). Socio-economic cost-benefit modelling is not an exact science, and the accuracy is spurious given the multiple variations in analysis; in this case we consider the influence of differences in characteristics of client/cohort group, and in the sampling bias of outcomes data collection to be broadly equivalent to the difference in SROI-assessed performance. Therefore, **our conclusion is that evidence of Ready for Work value-for-money shows that cooperative approaches can perform at least as well as mainstream employment support provision.** The nature of the Ready for Work intervention – a short and intense programme, with the involvement of employers in design, and in-work training – corroborates with the findings of meta-analysis undertaken by WWCLEG in relation to the characteristics of effective design of interventions.

#### **Stevenage Council – Business and Technology Centre (BTC)**

##### *Why is it cooperative?*

Revenue costs for this business centre are funded through a joint arrangement between Stevenage Borough Council and Wenta – a not-for-profit providing property and facilities management and business support. Wenta provide a flexible service tailoring it to the individual needs of businesses at the Centre, thereby ensuring an element of co-design in the individual services.

The BTC is run as a private enterprise: profitable as a commercial office facility and conference/training venue, in order to fund enterprise support services. The services hosted have expanded from the original offer of enterprise support,

centralising programmes in one place which allows for effective assessment, signposting and referrals.

The BTC is currently delivering the New Enterprise Allowance scheme on behalf of DWP and a European Regional Development Fund (ERDF) Low Carbon themed start up project, and is about to launch a virtual incubator. Partnerships with local schools have involved work experience and work placements, and the regional Step programme of graduate placements. Wenta have a network of enterprise centres in the region, of which **Stevenage** is the hub of operation, thus providing additional networking, benefit and value to Stevenage businesses.

#### ***What are the benefits?***

The BTC has hosted the creation of 350 jobs over a five-year period since 2009. In 2013/14, over 1000 businesses were assisted.

The management fee (£280,000 per annum) and costs are taken from the profits generated by the Centre, remaining profits are allocated to the council up to a value of £300,000 per annum and then shared beyond that point between the council (75 percent) and Wenta (25 percent). The council receives on average £400,000 per annum in surpluses that can be used to provide added value in the town. This provides an extra incentive for Wenta and the council to work effectively in partnership and delivery quality outcomes. Capital costs to build the centre were funded as follows: East of England Development Agency (EEDA) – £2.9m; Department for Communities and Local Government (DCLG) - £2.7m; Stevenage Borough Council - £1.2m.

#### ***How do the benefits compare?***

The council surplus represents a 6 percent yield, which is in line with industry expectations for a building of this nature. In other words, if current trends continue, the payback period for the original capital investment by the public sector will be under 20 years; whereas standard depreciation assumptions are a 25-30 year life span for the facility. Taking a 20-year timescale, and extending current trends of job creation, would mean that 1400 jobs would have been created for a £6.8m capital investment. Ignoring operational costs and revenues, the crude cost per job comes in under £4,900 – less than half the cost of the national Business Link support programme which ran during previous decades.

### **Southampton Council – Employment and Skills Plan**

#### ***Why is it cooperative?***

The programme is predicated on the council's partnership with the Construction Industry Training Board (CITB), through which it helped design the 'Client Based Approach' for employment and skills initiatives. This has become a framework to maximise local skills and employment opportunities in major construction,



retail and hospitality projects. The approach is fully embedded in Southampton, with Employment and Skills Plans (ESPs) creating local supported employment with significant equality outcomes for priority groups, disadvantaged residents and those facing multiple barriers.

### ***What are the benefits?***

Local application of the approach in Southampton is unique, as it also captures employment opportunities across sectors which relate to the end-use of construction and development projects, such as retail and hospitality. It is also unique in the way that it agrees specific social targets to support equality issues. The volumes of targets are based on the value, duration, and location of a specific development, and the planned end-use of the new building. The achieved outcomes, over three years (2011-14) include:

- *Local supported employment – 665 jobs*
- *Apprenticeships – 254 new or safeguarded*
- *Work experience – 413 placements*
- *Skills Training – 411 Pre-employment Training (PET) and 896 Workforce Development*
- *Education/Curriculum – 399 events.*

### ***How do the benefits compare?***

A full cost-benefit analysis of the Southampton initiative is difficult, because operational costs (£50k per annum; £150k between 2011-14) are used to improve the targeting of skills funding from the Education Funding Agency, the Skills Funding Agency, DWP, and the European Social Fund, as well as Section 106 contributions. It is also difficult to establish whether Section 106 contributions directed at employment and skills are a substitute for contributions made in other areas (and therefore, in monetary terms, of no net additional value to the public). However, some sense of the value for money of investing in such coordination approaches is evident by comparing the scale of the outputs and outcomes achieved in relation to employment and skills, against the typical (national benchmark) contribution of 0.03 percent of the value of investment.

There is a focus on the opportunities that each development can offer to maximise impact for Southampton residents and local communities, including construction and end use plans. There are no specific financial obligations ie no strategic tariff scheme.

Taking 2012 as an example year, 9 major projects totalling £90m of property investment had ESPs negotiated through the council. With minimum targets of 30 new apprenticeships, 65 new jobs and 240 placements for unemployed adults in pre-employment training and work experience, the value of such outcomes would only have to be £27,000 to equal the national average that developers invest in employment and training. **In Southampton, thanks to the brokering role played by the**

local authority, the comparative benefit, using conservative estimates of economic value (£5,000 per job; £2,000 per apprenticeship; £500 per placement), the economic value of 9 ESPs in 2012 would total £400,000 – or 15 times the benchmark value.

# Case studies

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**This chapter contains a range of case studies and qualitative evidence describing cooperative approaches to employment, skills and growth. This evidence highlights how better employment and economic outcomes can be achieved through local authority leadership and brokerage, tailored support to individuals and partnerships with employers and business.**

The Commission received a range of submitted case study evidence of programmes related to employment support, skills, and business growth and development. In addition to this, it engaged with a number of expert stakeholders, including national politicians, practitioners and business leaders. While many of the programmes lacked robust evaluative data, they nevertheless provide a rich qualitative account of the benefits of locally-led and cooperative approaches to employment, skills and enterprise.

This chapter presents the most compelling case studies, principally from cooperative councils, and provides brief thematic commentary and analysis of the evidence. In determining which case studies to include, we used a broader set of criteria than for the economic analysis, for example we include the council taking a role as leader, broker and connector. All of these examples show some elements of cooperative working but there may be aspects which could be increased, for example the role of citizens in co-producing initiatives.

The qualitative evidence we received highlights the ability of local authorities to become effective strategic anchors of a place, drawing on their local knowledge, leadership and influence to forge effective partnerships and support local people, organisations and businesses to achieve better economic and social outcomes.

The case studies in this section are grouped into three key themes:

- Employment and employability, including:
  - Tailored interventions
  - Local authority leadership and brokerage
- Skills development and business growth
- Leveraging local authority influence to shape the local economy

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## 1. Employment and employability

The majority of case studies we received comprised interventions aimed at achieving outcomes related to employment. The selected evidence highlights the value of local authority brokerage and influence, effective collaboration across services and sectors, and personalised, tailored support underpinned by co-production.

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### 1a. Supporting individuals into work

Several programmes involved tailored forms of individual support to get local people into work or training, particularly those with the greatest barriers to employment. Some of these involved coaching methods, which are backed by national evidence as being particularly effective,<sup>79</sup> and all involved some form of co-design so that service users were empowered to co-produce the support they receive. This form of intense, personalised support differs substantially to the basic 'work-first' offer of national programmes such as the Work Programme.

79. See for example Professor White, L. (2011) *Coaching into employment: Evaluation of the In Work Staying Better Programme*. University of Bristol.

#### Case studies – supporting individuals into work

##### Knowsley Council – Coaching for Employment Programme

In July 2013, Knowsley Council commissioned a programme of employability, personal and social skills development to support Knowsley Apprentice applicants and other young people not in education, employment or training (NEET) in the borough. An additional strand would support potential applicants to develop English and Maths skills to help preparation for the assessment centres. Sefton Council for Voluntary Services (CVS), lead agency for VOLA - a consortium of Voluntary, Community and Social Enterprise (VCSE) organisations covering Liverpool City Region - successfully tendered to deliver the programme, named locally as Coaching for Employment. A delivery partnership was formed consisting of four VOLA member organisations with good track records of delivering employability support to young people in Knowsley.

Over the duration of the programme, 165 participants were trained, totalling 216 enrolments; 82 supported with application skills (Lot 1) and 134 interview skills. Good levels of learner satisfaction, achievement and, most importantly, positive progression were achieved. 110 participants (67 percent) progressed to a positive destination, the most common progression route being to Further Education and training (63 learners). 21 learners secured apprenticeships, 20 progressed in to other jobs and 6 moved into volunteering or work placements.

##### Edinburgh Council – Re-designing Supported Employment Services

The City of Edinburgh Council's Employability and Skills service took over five contracts from Health and Social Care that were offering employability support to people with a disability. The challenge was to enhance and focus the service upon progression to employment, ensuring that in-work support was a key feature and that securing a job was the start of an on-going career aspiration which was sustainable. A key transformation was aligning the commissioning model to outcomes and service user needs. Co-production formed a core part of this, with various workshops and engagement techniques with service users and providers informing the service re-design.

The outcome was the commissioning of a one stop shop Supported Employment service for all job seeking clients with a disability, bringing together a core consortium of social enterprises and subcontractors. The early adoption of the Supported Employment model has already resulted in a 50 percent increase in employment outcomes as other providers take on its working methods and principles.

##### Big Lottery Fund - Talent Match

Talent Match is an £108m investment to tackle youth unemployment in 21 areas of England. It is targeting young people who are furthest from the jobs market, including those who are completely outside of the benefits, work and training system and facing severe barriers to gaining the skills they need to get into

25 percent of participants achieved a paid job outcome, while a further 42 percent progressed closer to paid employment (via education, training or volunteering). This is impressive given the short-term and small-scale nature of the intervention. Assuming that clients were NEET before participation, standard economic modelling assumptions (based on the Treasury-approved New Economic model), this scheme generates a fiscal benefit of £1.2m and a wider public benefit of £1.7m.

### **Groundwork – Achievement Coaches**

Groundwork UK's Achievement Coaches programme has seen Groundwork youth workers and volunteers work in and with schools to help over 1000 pupils achieve their full potential and avoid becoming NEET. The Achievement Coaches model tests the best ways for professional and volunteer youth mentors to deliver measurable results in terms of attitude and attainment and, with partners FPM, is blazing a trail by creating a new professional qualification available to the wider sector. 12 Achievement Coaches projects have been supported across the country supported by DfE, the Skills Funding Agency (via the European Social Fund) and the Burberry Foundation.

While the full impact evaluation report is published in March 2015, the analysis from schools receiving the service has shown that 86 percent of young people completing the programme have achieved at least one positive learning progression in terms of improved behaviour and attitude, attainment, or attendance at school, according to evidence collected from schools. These progressions have been attributed to their involvement in the Achievement Coaches programme.

### **Wales Council for Voluntary Action (WCVA) – Intermediate Labour Market Project**

The ILM project is funded through the European Social Fund and is providing opportunities for a range of unemployed people including lone parents, people with disabilities, people in receipt of incapacity benefit, and NEETs.

Through the ILM project, WCVA is investing in third sector organisations and social enterprises to offer three-month, paid supported employment opportunities combined with intensive mentoring and support. The project is meeting people's different abilities, interests and talents by creating diverse opportunities in areas like sport, arts, horticulture and youth work alongside modern sectors such as software development, social media and graphic design.

Over 4,000 out-of-work people across Wales have accessed job opportunities since 2009 after taking part in the project. Almost 2,000 people have secured permanent employment at the end of their placements to date, and over 2,100 new work-based qualifications have been achieved. Other participants have entered further education and have become volunteers. An independent evaluation concluded that "the programme generated significant benefits for

work. Talent Match seeks to boost opportunities for young people by bringing together partnerships of employers, education providers and other key stakeholders, led by local charities.

The investment was co-designed with young people, both centrally and in each of the 21 partnership areas, and will continue to have young people at the heart of decision making throughout the programme. The programme, which will run until 2019, is being evaluated by the Centre for Social and Economic Research, which will run until 2019. Case study evidence, including personal narratives collected on the Talent Match site as well as the perspectives we heard directly from the Policy Commission evidence sessions, indicates that the Talent Match programme and its focus on co-design is helping to boost the skills, confidence and opportunities and employment outcomes of young people that take part.

See more:

[www.biglotteryfund.org.uk/research/education-learning-skills-and-employment/employment](http://www.biglotteryfund.org.uk/research/education-learning-skills-and-employment/employment)

those it supported and has been successful in helping participants progress and move into employment.”

Source: [www.wcva.org.uk](http://www.wcva.org.uk)

## 1b. Local authority leadership and brokerage

Several programmes involved local authorities using their local knowledge and strategic leadership to create partnerships, coordinate and align employment initiatives, and broker stronger engagement between local employers and residents. Some programmes comprised local authority-led work schemes to get people into work, with a particular focus on NEETs and harder-to-help groups. Many involved creating strong partnerships with businesses and local employers to generate job opportunities for local residents. There was also evidence of councils using holistic approaches to supporting residents with complex needs – for example linking the employment agenda with initiatives around welfare and public health.

### Case studies – local authority leadership and brokerage

#### **Sandwell – Sandwell Guarantee**

The Sandwell Guarantee is a local partnership approach to tackling Worklessness in young people in Sandwell. The Sandwell Guarantee provides support for NEETs aged 16-24 in Sandwell. The initiative aims to support 4000 young people to enter an apprenticeship or job opportunity whilst supporting local businesses to recruit and can also provide wage subsidies for employers. The Sandwell Guarantee is a partnership of local businesses, the council and local training providers.

Launched in September 2014, the initiative has engaged with 103 local companies, generating 193 job opportunities and has placed 78 young people into employment. Young people are at the heart of the initiative with young people as members of project meetings and involved in the design of pre-employment and training programmes. The Sandwell Guarantee encourages young people to take ownership of their job seeking and receive confidence and motivation training to sell themselves to employers.

#### **Knowsley Council – Knowsley Jobs Fund**

Throughout 2013/14 Knowsley Council invested £0.700m to support the Knowsley Jobs Fund. This programme (delivered via Knowsley Works) uses an Intermediate Labour Market (ILM) model to offer

#### **The Edinburgh Guarantee**

The Edinburgh Guarantee is a Council-led cross-partnership action between over 350 public, private and third sector employers to tackle rising youth unemployment. A cooperative ethos underpins the initiative: it is a cross-sector, non-political strategic partnership supported by strong and visible leadership and advocacy from council and business ‘champions’. The Guarantee outlines a number of actions to increase the natural rate of recruitment of young jobseekers by employers, improve the preparation of young people for work, and remove barriers to employment for young people. By 2017 it aims to:

- Increase the percentage of school leavers moving into positive destinations, matching or exceeding the performance of the highest ranked Local Authority area
- Increase the percentage of “looked after children” moving into a positive destination, matching or exceeding the performance of the highest ranked Local Authority area
- Reduce the percentage of young people (16-24 yrs) who are unemployed, matching or exceeding the performance of the highest ranked Local Authority area

One of the key achievements has been providing businesses with a single point of contact for

specific training and, following a successful interview process, a six month, minimum wage job placement for Knowsley 'Work Programme completers'. ie residents who have previously taken part in the Work Programme and been unsuccessful in finding employment; therefore being out of work for more than three years. The Knowsley Jobs Fund offered 97 opportunities over two periods of recruitment and received more than 280 applications. Job opportunities available were based with a variety of employers across the Liverpool City Region's economic growth sectors and included roles in factory line production, warehouse 'picking and packing', and construction. Further opportunities included those related to retail and administrative roles. Most employers took on between two and four residents as part of the programme, with some employing larger numbers.

Throughout the various recruitment periods for the Knowsley Jobs Fund, there were a total of 96 job starts between August 2013 and September 2014. As of December 2014, 36 percent of participants had gained a job outcome (either continued to be employed in that role or in employment elsewhere). Based on the assumption that the programme can help 50 percent of participants to gain a job outcome, the economic return of the initial £0.700m after four years would be £2.7m (using Manchester New Economy's Cost Benefit Analysis (CBA) model's estimate of an economic impact of £14,044 per annum for every resident who stops claiming JSA and enters work). This amounts to an uplift of 285 percent on the initial investment.

#### **Oldham Council – Get Oldham Working**

In 2013, the Get Oldham Working (GOW) approach was initially based on a core offer which aimed to scale up, galvanise partners and increase commitments from employers. The core offer is defined as the existing services provided via employability@oldham and the relationships with partners such as Jobcentre Plus, Work Programme providers, work clubs, Positive Steps Oldham, Voluntary Action Oldham, Oldham Business Leaders Group, private and public sector employers. It brings together a wide range of stakeholders to prepare young people and the unemployed for work and to encourage businesses to invest in Oldham and create employment opportunities.

The cooperative approach across all organisations in the sector has been promoted as part of the council's economic strategy. The Invest In Oldham campaign is a key component to increase the employment capacity of the Borough. The GOW project is at the forefront of Public Service Reform and has a specific focus on young people ensuring they do not 'fall through the gap' when they leave education. Coordination across schools and colleges is facilitated by the Oldham Learning Cooperative Partnership (OLCP) to ensure the transition from education to employment works as smoothly as possible for the vast majority of people.

engagement with schools and school leavers. This strategic offer has enabled the formation of much stronger and efficient relationships between employers and schools. From 2011-2014, the key outcomes have been:

- Improved positive destinations from 82% to 91%, exceeding the Scottish National Average
- Partnerships with over 350 businesses in the City
- Improved positive destination for looked after young people
- Youth unemployment rates lower than the Scottish National Average
- Economic value to Edinburgh of £17m and £29.4m to Scotland.
- Estimated almost £4 million savings in Benefit payments.

#### **Plymouth City Council – '1000 Club'**

The 1000 Club is a partnership between the council and Plymouth Chamber of Commerce to address the city-wide issue of youth unemployment. The Club aimed to recruit 1,000 local companies and work with them to encourage and support a young person into employment by creating a job, taking on an apprentice or graduate intern, or providing a work experience placement. It provides a much needed brokerage service between businesses in the city and young people – effectively a 'one-stop shop'. Since it launched in 2012, the 1000 Club has supported the creation of over 800 jobs in the city and more than 900 apprenticeships, equivalent to a cost per job of just £60 for the project. In addition to this, the Club has supported over 3,000 young people to secure some form of work experience opportunity. It continues to grow.

#### **Lambeth Working**

Lambeth Working supports access to employment for Lambeth residents through a network of local employment and training providers including the council funded Lambeth Working Brokerage, Jobcentre Plus, Lambeth College and a wide range of voluntary and community organisations.

The aim of the partnership is to create tailored skills and employability support programmes which respond both to the needs of the individual and the employer. The content of programmes is strongly influenced by very specific and immediate employer skills needs which often are not part of traditional training programmes. Lambeth Working's wide range of partners also ensures that it can tap into additional pre-employment needs for the individual such as literacy, numeracy, as well as making people work ready through advice and interview preparation. The fact that we work locally means that we can also refer clients to local advice and support agencies for wider issues such as housing, benefits, welfare etc.

Lambeth Working placed 852 local residents into employment in 2013/14.

The programme is structured into 11 projects across 4 work streams that reflects the work being done. Since the launch of the GOW campaign there have been significant reductions in unemployment across Oldham. Over the last 12 months unemployment in Oldham has fallen sharply. In April 2014 the JSA Claimant Count was 4,422 (down from 7,985 in April 2013) – making Oldham the third best performing local authority across Greater Manchester. The Youth Unemployment Rate (ie the proportion of 18-24 year olds claiming JSA) was 3.8 percent in April 2014 (down from 10.7 percent in April 2013) – making Oldham the best performing local authority across Greater Manchester. Although these reductions cannot be entirely attributable to the campaign, the campaign has likely played a role. The initiative is well on target to reach its goal of 2,015 employment opportunities by 2015.

### **Newcastle Futures - working with partners to help get people back into work after long periods of unemployment**

Newcastle City Council has worked with local partners including Jobcentre Plus to create Newcastle Futures, a not for profit organisation which provides strategic coordination to the work of all other training and employment agencies which help Newcastle residents find employment. The Partnership works together to make sure people get the support they need, whatever their needs may be. Newcastle Futures Partnership can help build people's confidence, brush up their skills, help them to gain qualifications, explore new career options, assist them into employment and support them whilst in work. Newcastle Futures works with Jobcentre Plus in the heart of communities to provide direct support to people most at risk of being excluded from employment in the current difficult economic climate.

Since 2007 Newcastle Futures has registered 12,881 unemployed people and supported 6,140 into work.

### **Islington Council – Islington Employment Commission**

The Employment Commission's purpose was 'to understand the nature of unemployment in Islington and what could be done to reduce it to the lowest possible level and to keep it there, while making employment meaningful and enjoyable for all'. Over the course of nine months, the Commission brought together local employers, public services, the voluntary sector and residents to explore issues of employment and develop a strategy for how all stakeholders could better work together to bring about deep and sustainable change. While the Commission was in of itself cooperative, it is also recommending cooperative approaches – its principal idea for creating change for the people who need it most is that everyone involved in employment support, including JobCentre Plus, the council, the local NHS and the voluntary sector, need to forge a strong

### **Lambeth Working Brokerage**

Lambeth council funds a local brokerage to ensure that local residents benefit from employment opportunities from the major regeneration programmes in the borough, at Nine Elms Vauxhall, Brixton and Waterloo.

Lambeth Working has an existing portfolio of employer accounts for which it undertakes rolling recruitment in hospitality, security, retail and catering sectors. Typically these employers will recruit for multiple vacancies, with a focus on employers who are not already engaging with Jobcentre Plus, or any other community based recruitment programmes.

A current key focus for employer engagement is the council's supply chain: identifying contractors with employment related social value commitments and supporting them to fulfill those via Lambeth Working Brokerage.

### **Lambeth - local partnership approaches to support retail and hospitality recruitment**

In September 2013, Lambeth Working and Jobcentre Plus supported a large scale recruitment for the new Tesco Superstore in Streatham. The cohort included extremely hard-to-reach and vulnerable residents, all of whom had been unemployed for six months or more. Through this recruitment, 140 long-term unemployed people gained employment and one year on, 125 were still in employment.

In response to employer consultation, Lambeth Working also engaged with Jobcentre Plus, Lambeth College, and the Crown Estates to develop a new Hospitality Sector Based Work Academy with innovative practical elements - such as wine service training, a visit to Harrods restaurant, and practical job shadowing - to provide trainees with real-life on the job experience.

Of 10 candidates with no previous Hospitality experience, 9 moved into permanent, full time jobs all in Hospitality sector. In 2013, 26 local residents were offered employment in the Conference & Beverage team at Park Plaza after completing Park Plaza branded pre-employment training through Lambeth Working Brokerage.

### **Glasgow City Council – Glasgow Guarantee**

Evidence of this Glasgow-wide programme focuses on the Commonwealth Initiatives (CI), which aims to create a lasting legacy from the games through providing long-term employment opportunities for young people in the city. The programme is funded by Glasgow City Council, but other organisations involved in the commissioning, designing, managing and delivery of the project include Jobcentre Plus; Skills Development Scotland; Jobs and Business Glasgow; and a range of training providers, local private sector businesses and trade associations. Since its inception in 2009 (until September 2014), CEI has helped 5,422 young people secure job outcomes (employment with training).



partnership to pool resources and provide seamless and good quality, targeted support.

### **Croydon Council – ‘Pathways to Employment’**

The ‘Pathways to Employment’ approach enables the Council and its partners to work collaboratively to maximise the number of local people securing new jobs created as a result of growth in the borough. This partnership approach was designed to remove barriers to employment through a range of activities and projects aimed at both employers and local residents, particularly those who find it hard to secure a job. The current programme is currently ‘light touch’ in nature in which the council largely operates a coordinating and enabling role. It is designed specifically to remove barriers and connect local people to the anticipated surge in employment opportunities over the next five years based on a shared understanding between partners of the main challenges to both employers and potential employees in the Borough. ‘Pathways to Employment’ therefore seeks to promote open recruitment methods amongst employers and ensures that schools and colleges business links are maximised. In taking forward this approach the Council has jointly developed an outreach programme for the Borough with the agencies working to support job outcomes and has also agreed a Service Level Agreement with JCP that focuses on a number of priorities for removing barriers to employment.

The main achievements during the first year of delivery can be summarised as follows: 1,143 new jobs created; £300,000 of external funding secured and invested in collaborative projects; and more than 1,000 young people engaged. Additionally, there was strong partnership work via the borough-wide Croydon Skills and Employment Strategy Group as well as successful mobilisation for engagement with Croydon Partnership.

### **Croydon Council – Croydon Welfare Reform Project**

Recognising the impact that the welfare reforms were going to have on local residents (16,113 of whom will be affected by the changes), Croydon Council has worked hard to ensure that service users are able to manage the transition to the new arrangements. This has been enabled by a unique and co-ordinated approach from the Council, third-sector and private sector partners which puts the customer at the heart of the reforms.

By developing action plans and budget plans and placing an emphasis on a sustainable solution for the service user the new approach has assisted over 1,115 customers to manage the impact on their finances and successfully stay in their home and pay the shortfall.

Using the behavioural insight and motivational interviewing techniques with service users, the council has found solutions ensuring quality of life for customers; for example, the council has achieved this through assisting with short-term discretionary

### **Jobs Growth Wales Programme**

The Jobs Growth Wales programme commenced in April 2012 and is intended to create 4,000 jobs per year for job ready young people throughout Wales. Communities First has 4 Cluster areas across Cardiff, and each has a Jobs Growth Wales Mentor in post who works intensely with young people aged 16-24 to get them job ready and able to access Jobs Growth Wales opportunities. The Jobs Growth Wales programme provides unemployed young people aged 16-24, with a job opportunity for a six month period paid at national minimum wage. Participants are paid at or above the national minimum wage for a minimum of 25 hours per week.

Young people will be employed for the duration of the programme and the jobs created must be additional to, and not replace, positions that would otherwise be filled. The ambition for the programme is that all of the job opportunities will be sustained by the host employer after the 6 months has completed. The Welsh Government will also be supporting community-based job opportunities for young people in Cardiff who require a more intensive support in the work place. Communities first will be working with the existing Wales Council for Voluntary Action’s (WCVA) intermediate labour market pilot scheme which is already proving successful in helping many young people across Wales who require more intensive support to reap the benefits from work experience opportunities.

### **Salford City Council – Employer Engagement: A partnership approach**

An Employer Engagement Group has been operating in Salford since 2010/11, seeking to promote a more joined-up ‘offer’ and approach to employer engagement activity, across all sectors, both within the City Council and with partner organisations such as Jobcentre Plus, who have accounts in place with some large national employers, Salford City College, the National Apprenticeship Service, Salford Foundation, City West and Together Housing. In addition, many of the organisations provide either commissioned or mainstream services in the city that support people in to work and training.

Major partnership activity has included:

- TNT recruitment: partnership with Jobcentre Plus, Salford, Manchester and Trafford Councils and Work Solutions (2013) - 168 employees recruited across Salford, as part of a wider GM programme
- Tesco Extra, Pendleton recruitment: partnership with Jobcentre Plus and Salford City Council (2012) - 50 local residents who completed the Tesco pre-employment training programme and 19 local residents who completed a Jobcentre Plus Tesco Sector Based Work Academy were successful in securing work with Tesco
- Morrison’s, Ordsall recruitment – partnership with Jobcentre Plus and Salford City Council (2011) – of the 211 people employed at the new store,

housing payments whilst customers managed debt and improve finances. Smoking cessation training from the public health service and budgeting advice on how to reduce energy and eat healthily has also ensured a positive improvement in circumstances.

180 service users have been assisted to move to a more sustainable housing solution. By engaging the service user in the choice of property type and area service users have felt empowered and only 19 service users chosen to move outside of the Borough.

Over 500 service users have been assisted into employment. Not only are they financially better off, but are providing positive role models for other residents as well as family members. 127 of the most vulnerable customers affected by the welfare reforms were assisted to claim Personal Independence Payments providing them with more income and better able to support their medical needs.

A number of community based events were organised and targeted at specific customer needs. Representatives from local retailers were also keen to get involved and attended many of the events to support the ethos of the project. Asda were happy to come and offer budget recipe ideas to enable families to eat healthier for less and McDonalds came to support the drive for employment opportunities by providing interview and application tips and techniques.

#### **Newcastle – Walker Welfare Reform Pilot**

This is an innovative pilot project in the part of the city worst affected by the 'bedroom tax'. The Walker Welfare Reform Pilot was developed in partnership with Your Homes Newcastle (YHN) in response to Housing Benefit changes for tenants deemed to be under occupying their property and therefore subject to the "Bedroom Tax." The pilot was led and delivered by YHN and offered a comprehensive package of support to 650 tenants in Walker affected by the 'bedroom tax'. The pilot offered enhanced employment support and sought to engage with local employers to secure employment for those affected.

Over 100 residents engaged and 24 local businesses expressed an interest in providing work to people affected. Some 45 people were referred to Newcastle Futures, 12 people entered into training and 5 people secured work. The pilot helped us to formulate a local response to national changes to the benefit system. And, it showed how positively public, voluntary sector and commercial partners responded to help people in Walker to mitigate the difficulties they faced due to Bedroom Tax and secure employment in an area with high levels of unemployment. Newcastle University conducted research to examine the impact of the Bedroom Tax on Walker residents, looking at: health and wellbeing; assessing the extent to which residents could mitigate the impact of the tax through uptake of the government's recommended responses; and, evaluating the impact of YHN pilot intervention. This

167 employees were Salford residents and of these, 137 had previously been in receipt of benefits, and

- MediaCityUK (2010 onwards) – recruitment and training support delivered through Bridges to MediaCityUK Partnership. Over 4,000 people employed at MediaCityUK, of which 475 (12%) from Salford (as at 2013).

This project allowed for local knowledge exchange and collaboration between partners – skills forecast shared with skills providers – thereby helping supply meet demand at local level.

#### **Salford City Council – Salford Employment and Recruitment City Hub**

In 2013 Salford City Council's Skills and Work Team commissioned a new Employer Brokerage and Support Service. Delivered by Work Solutions, the Salford Employment and Recruitment City Hub (SEARCH) is designed to work with businesses to maximise employment and skills opportunities and to connect Salford people to them, specifically:

- Account Management
- Recruitment and Selection
- Training & Workforce Development, and
- Community Links.

The service is focused around the following three areas:

- People – Connecting residents to opportunities
- Business – Recruitment, selection and skills development support, and
- Place – Supporting regeneration programmes and growth sectors.

In 2013/14 the service achieved the following targets:

- Number of employers engaged – 960
- Number of vacancies generated – 360
- Total number of Salford residents skills assessed and signed up to the recruitment pool – 960, and
- Number of vacancies filled (total) – 240.

#### **East London Growth Boroughs – 'Create Jobs'**

The 'Create Jobs' initiative was set up in 2011 in the East London Growth Boroughs of Barking and Dagenham, Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest. The initiative works with young people, employers, training providers and referral agencies to deliver a high quality training and brokerage service, leading to apprenticeships, paid internships, traineeships and work placements for young people aged 16-24. The aim is to bring more 16-24 year-olds from these boroughs into the arts and creative sector, diversifying the workforce and providing beneficial experiences for both employers and jobseekers. To recruit those facing the most complex and intractable barriers to work, staff from 'Create Jobs' attended targeted events run by ex-offender organisations (ie Jobs Not Jail, Youth

soon to be published research will inform how the council and partners help local people.

Offending Teams), housing organisations and care leaver organisations. They prioritised recruiting in the community, targeting wards where there is multiple deprivation found alongside booming creative industries (for example, Highham Hill, Hoe Street and William Morris wards).

In line with the interests of cooperative councils, 'Create Jobs' strives to reduce labour market exclusion through building the skills, confidence and employability of young people living in East London. It also increases the scale and reach of employment opportunities by working with employers to support their recruitment processes, particularly when it comes to the recruitment of NEETs. The initiative encourages employer involvement in the programme through access to wage incentives. In 2014, the initiative had success in creating 73 work experiences, 95 mentoring opportunities, 26 internships, 13 apprenticeships, and 13 other jobs for young people in the arts and creative sector.

#### **East London – 'Creativity Works'**

'Creativity Works' is an initiative that was piloted from January to August 2014 to help young people who are NEET break into the growing creative sector. The pilot of this initiative focused on fashion, connecting 29 young people who were NEET to a fashion-related role, providing them with valuable work experience for three to six weeks. Following these placements, 10 young people moved in paid employment; 11 young people moved into further work placements; two young people moved into university places, and six young people are undergoing interview preparation. Alongside this delivery, the project provided mentoring support to the 29 young people who were NEET.

To ensure work experience opportunities would be available to these young people, 'Creativity Works' supported 20 employers to more effectively recruit unemployed young people through work experience frameworks, training provision and HR advice. Employers were assisted in writing job specifications, particularly in regard to qualification levels so as to not exclude disadvantaged or lowly-qualified local young people. To avoid duplication of other employment programmes within East London, 'Creative Works' engaged with organisations which have an expert working knowledge of operations within the locality (for example, Hackney Ways into Work) to help shape the programme, as well as Jobcentre Plus to strengthen their knowledge of roles and progression opportunities locally within the creative industries.

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## **2. Skills development and business growth**

A range of case studies showed evidence of strong long-term, strategic collaboration between local authorities and businesses to achieve place-based outcomes benefiting both businesses and local people. Several programmes sought to tackle skills shortages and better connect local people to key growth sectors. Others

focused on boosting and unlocking enterprise and providing a better offer of business support. Many of these programmes had an implicit or explicit 'social compact' approach: offering tangible benefits to businesses while encouraging them to contribute to creating a fairer local economy that benefits residents. Similarly to the employment schemes above, strong leadership from local authorities and businesses has been a key feature and critical factor of success.

## **Case studies – Skills development and business growth**

### **Plymouth City Council – Building Plymouth**

Building Plymouth is a Council led partnership working with the local construction sector that aims to link people with the rapidly growing career opportunities in the sector. The construction industry in Plymouth is worth £246m a year (six percent of the economy) and supports 3,325 jobs. Recent research says that this is set to grow. Using information from the Council's existing pipeline of building projects in Plymouth the recent Plymouth Future Employment Report predicts that 10,000 new jobs in construction will be created over the next ten years. There is a recognised skills gap in this industry so Plymouth held a Building Plymouth summit in September 2014 which brought together key industry figures to better understand and work towards a solution to the recruitment and skills crisis. A number of work streams were launched at the meeting which will be reported back on at a follow up meeting in March 2015.

The project delivers extensive events, advertising and partnering opportunities with which to remarket careers locally and is working to change the system by working with council procurement, planning and the Local Enterprise Partnership to help overcome barriers to increased capital and physical investment in skills. The project aims to help the sector help itself by changing the cycle of skills shortages typical of the industry.

### **Plymouth's Social Enterprise City**

Plymouth is rapidly developing as a global 'social enterprise city'. While contributing significantly to economic growth in their own right, social enterprises also deliver benefits to the overall 'wealth' of an economy through a range of social and environmental objectives. Plymouth has one of the most active social enterprise business networks in the UK and the world's first social enterprise university. 150 social enterprises employ nearly 7,000 people and bringing in an income of around £500m. A new £500,000 Social Enterprise Investment Fund has been created by the council to create jobs, leverage in match funding and bring back vacant buildings into use, made possible by the support from public and private

### **Sandwell Council – The Black Country Skills Factory**

The Black Country Skills Factory is an employer-led education and training collaboration being coordinated by the Black Country Consortium Ltd with prime funding from UKCES. This project aims to address the current shortfall in HVM skills in the Black Country for both large and small employers, increase the pipeline of suitably skilled staff to respond to the growth of the sector and establish the Skills Factory as a self-financing first point of contact for skills development.

The Skills Factory has engaged with companies in the Black Country to identify specific training and skills requirements and have developed a number of employer-led bite-size training courses in key skills shortage areas in the HVM sector. Courses are delivered in conjunction with specialist training providers and colleges in the Black Country and are subsidised by up to 30 percent. The organisation is also working with training providers and colleges in the region to promote subsidies of up to £1,500 for Black Country HVM SME companies who have not taken on an engineering apprentice in the past 12 months. A complementary ambition of The Skills Factory is to increase the number of people wishing to consider HVM as a career choice by changing the perception of the manufacturing sector. To achieve this objective, The Skills Factory targets and engages with schools, further/higher education, teachers, parents and pupils.

### **Liverpool City Region – Baltic Creative CIC**

Baltic Creative is a Community Interest Company established in 2009 to provide space for the creative & digital sector and to play a major role in the regeneration of the Baltic Triangle area of Liverpool. Baltic Creative took over 45,000 sq ft of empty warehouses and created a collaborative community. An independent economic review in 2014 found that Baltic Creative's activities have led to the creation of 50 FTE jobs and assisted over 60 businesses with support and guidance. Baltic Creative now supports 182 FTE jobs, and its tenants add £1.4m per annum to the regional economy. It has also indirectly

sector partners who helped secure Plymouth's Social Enterprise City status.

### **Sunderland City Council – Sunderland Software City**

Little over a decade ago Sunderland City Council highlighted the software sector as one that could help to reinvigorate the city economy. Working with an education partner, the University of Sunderland, and an enterprise organisation, The North East Business & Innovation Centre (BIC), the council created Sunderland Software City (SSC) in 2009, an initiative designed to spur on the growth of the sector. Since its inception the organisation has transformed the face of software in the city. Tasked with driving the growth of software, digital and technology enterprise in Sunderland and the wider North East region, SSC has provided support to some 340 software businesses and 100 start-ups – helping them realise their potential and enter national and international markets. Championing technology and software in the city, SSC offers start-ups and existing businesses in the sector expert advice and support delivered by a team who understand the sector. It is this knowledge and understanding of technology that has helped SSC to create more than 528 new jobs and contribute an estimated net increase of £21m in regional gross value added (GVA). As the software community grows, it is the organisation's ambition to support a threefold increase in businesses and revenues in Sunderland before 2020, with the creation of 2,000 new jobs.

### **The Business & IP Centre Newcastle**

The Business & IP Centre is designed to support entrepreneurs, inventors and small businesses from their first spark of inspiration to successfully launching and developing a business. The partnership delivering the Business & IP Centre Newcastle is made up of the City Council, Newcastle Science City, Northumbria University and the British Library. By working in partnership, in May 2013, the Centre was able to fully launch its new service, following a successful pilot phase, and offers: free access to business and intellectual property (IP) databases and publications; support on commercialising IP; advice on start-up funding; market research; and, company data and information on patents, trademarks, design and copyright.

The Business & IP Centre Newcastle builds upon Newcastle Science City's proven track record in delivering high growth, specialist business support, and the Council's and Northumbria University's commitment to enhancing services to the business community. This unique new service will help businesses and entrepreneurs grow and become commercially successful, producing much needed new jobs and strengthening the regional economy. To date, over 3,500 entrepreneurs and businesses have attended a wide range of events, workshops and one-to-one coaching sessions.

supported 1,000 new jobs. 75 percent of tenants say their growth (8 percent compared to 1.5 percent nationally) results from collaboration with other tenants.

### **Glasgow City Council – West of Scotland Loan Fund**

The West of Scotland Loan Fund is a unique consortium of 12 local authorities working together to provide loan finance to new and existing SMEs in the West of Scotland. The aim is to ensure that good, commercially viable proposals do not fail from a lack of access to finance. Additionally, the fund aims to encourage and support the creation, development and growth of businesses within each of the twelve local authority areas which will in turn be able to contribute to, and strengthen, their local economy in terms of jobs, growth and wealth. The West of Scotland Loan Fund (WSLF) offers small businesses an opportunity to access gap funding of up to £30,000 for new start businesses and £50,000 for existing businesses.

The loan may be awarded to new or existing businesses which can demonstrate a sound business proposal together with a proven track record of success. Whether related to the business, premises or product, the project should be able to show how it will contribute jobs, capacity or new capabilities to the City economy. With a fund of £18m the WSLF has been able to support over 1100 businesses by providing them to access to gap funding, thereby helping to create some 4000 new jobs and generate an additional £200m of sales.

Our economic analysis shows that Net additional jobs have been estimated at over 1400, based on annual expenditure of between £2m and £3m. Although the loans have put over £11m of public capital at risk (a cost per job of £7,900), loan repayment rates are high, meaning funds are recycled to make accessible to other SMEs.

### **North Staffordshire Education Business Partnership**

Staffordshire County Council, Stoke-on-Trent City Council and Newcastle-under-Lyme Borough Council have come together to form the North Staffordshire Education Business Partnership. Through this new cooperative approach the councils seek to maximise working with local businesses and pilot schools to develop a better informed local discussion about the skills needed for local jobs.

One of the key objectives to improve the economic development of the area is to address the skills gap to meet business requirements and improve employability skills of those seeking work.

Over the past year there have been many national press articles about young people leaving education without qualifications or skills to get them into an appropriate job or apprenticeship. Youth unemployment is now one of the greatest challenges facing the country, with nearly 1.5 million young people who have been identified NEET, the partnership wants to tackle this issue.

### **Cardiff Start – Employer engagement: linking job growth, employment support and the NEET agenda in Cardiff**

Cardiff Start is a group of entrepreneurs, startup founders, creatives, students, and investors who have created a cooperative network that provides support across the tech start-up community, as well as promoting the city as a location for digital and tech businesses. The group both provides practical support and advice through its networking activities, as well as hosting and running specific events for both businesses, as well as those seeking to learn more about the use of technology.

As well as the group members, Cardiff Start also works closely with partners such as Cardiff Council, the Welsh Government and the city's universities. From this perspective it has also helped the wider public sector in accessing and understanding the local technology cluster. The group has also helped to provide training in the use of technology to a range of partners.

The group has had a wide impact on the development of both the city's emerging technology cluster, as well as supporting the wider community's involvement in technology. This has included supporting public sector partnerships in both understanding and using technology.

### **North Liverpool/South Sefton – Stepclever Enterprise Gateway**

The Enterprise Gateway ran from 2007-2012 with the aim of providing an efficient and integrated enterprise and business growth service to residents and businesses of the Stepclever area, in order to close the gap between the six Stepclever wards and the Liverpool city-region in terms of levels of enterprise, entrepreneurship, employment and business success. Its objectives were to address the low rates of new business starts and self-employment in the Stepclever area and to raise the sustainability of local businesses by increasing the quantity and quality of support available to entrepreneurs and growing businesses. The project was jointly delivered by Sefton Council and Liverpool Vision with sub-contracted support to a wide range of local community based economic development agencies. The work was the culmination of cooperative and close collaboration, initially by the two local authorities (Liverpool and Sefton) at project concept and bid stage in 2006. This led to wide consultation with local community economic development agencies in north Liverpool and south Sefton. Although it was a large scale public programme, it was stated that it was more cost-effective to deliver in specific disadvantaged communities through a combined approach involving voluntary and community groups and local economic development agencies.

Locally we are working with our partners Talent Match to help 18 – 24 years to reach their goal of employment. Through the Newcastle Employment and Skills Group we work with partners from the County Council, Voluntary Action, Careers Service, Business Enterprise Support, Newcastle College, DWP and Aspire Group to identify training and skills gaps and work collaboratively to address these.

Working with education providers and businesses across North Staffordshire there is an aim to identify existing and future skills gaps, map clear pathways to work and develop careers and skills offer from primary school through to work. The LEP Education Trust has identified 21 Staffordshire secondary schools, including five in Newcastle, who have given commitment to a two year programme of development to raise aspirations and offer young people opportunities to develop the knowledge, skills and experience to be both college ready and work ready. The schools will be supported over the two years by local employers and business partners.

The councils see that working with partners we are able to inspire young people to raise their aspirations and follow an education and skills pathway which will give them a good chance of accessing local jobs with real career prospects.

The Partnership has recently recruited a Co-ordinator to ensure that we are able to gain momentum to deliver our ambitious plans.

By working in partnership with the schools, then colleges and Universities we will be able to identify and develop the skills required by business and offer young people real work opportunities.

### **Business in the Community – Business Connectors**

This is not a local authority-led scheme, but a programme where businesses partner with local organisations. Business Connectors is a programme which supports professionals from large corporations to take up secondments of one year or more in the neighbourhood around the business location. They partner with schools, SMEs and local voluntary and charity sector organisations, learning about the needs, issues and assets of the community. 123 business connectors had been placed as of September 2014. They leveraged £6.5m in support for the organisations they connected to – equivalent to over £50,000 per secondment. Full-time secondment means relationships are likely to be deeper, and therefore more durable over a number of years.

### 3. Leveraging local authority influence to shape the local economy

Several case studies highlighted the ability of local authorities to use their purchasing power and influence to create jobs and growth opportunities that benefit local people, particularly those that are furthest from the labour market. This included building 'community benefit' clauses into contracts and leveraging the council's role as a planning authority to ensure providers and developers make greater social and economic contributions. It has also involved using council assets in new ways and developing programmes to boost the economic capacity and participation of traditionally disadvantaged and economically inactive communities. Some case studies also involved local "anchor" organisations besides councils adopting similar approaches.

#### Case studies – Skills development and business growth

##### **Glasgow City Council – Community Benefits**

Since 2008, Glasgow City Council has put in place dedicated resource to manage the Community Benefit Programme. The policy has been included in the procurement of all major infrastructure projects in relation to the Commonwealth Games and focuses on three main areas: targeted recruitment and training (TR&T), specifically for the long term unemployed and those directly leaving education or training – classed as New Entrant Trainees (NETs); advertising of business opportunities; and the development of SMEs and Social Enterprises (SEs). It is funded by Glasgow City Council and the target area is Glasgow, but the nature of the project delivers business benefits for surrounding areas and across Scotland. The other partners include Skills Development Scotland, Glasgow Chamber of Commerce, Federation of Small Business, Clyde Gateway (urban regeneration company), Community Enterprise in Scotland and Greater Glasgow and Clyde NHS.

##### **Glasgow City Council – Integrated Grants Fund**

The Integrated Grant Fund (IGF) provides grant funding to organisations to deliver high quality and much needed services to the citizens of Glasgow. Funding is allocated to meet the priorities of Glasgow City Council and of the Glasgow Community Planning Partnership. The IGF supports a wide range of programmes under 14 themes ranging from employability to equality and diversity. The role of the Council's Grants and Initiatives Team is to work with staff from across the council and its partner agencies to recommend, manage, monitor and administer the council's IGF. Its objectives include developing strong and effective partnerships within and beyond the third sector; implementing and reviewing policies and

##### **Lambeth Council – The Nine Elms Vauxhall (NEV) development**

The Nine Elms Vauxhall (NEV) development in London will offer an estimated 22,000 construction jobs. However, the lack of appropriate publicly funded skills provision will undermine efforts to get local people working on site. Detailed skills forecasting showed that only 39 percent of skills required on site were provided through mainstream funding. Lambeth and Wandsworth councils, two local Further Education colleges and Jobcentre Plus have designed a tailored pre-employment training funded through a variety of mechanisms to help local unemployed people access jobs on site and are now designing programmes against the top ten trades. This pre-employment training is an outcome of local knowledge exchange between partners; the skills forecast was shared with skills providers in order to help supply meet demand at a local level. This training is now being funded through local collaboration – a pool from S106, the Skills Funding Agency, and the Jobcentre Plus Flexible Support fund.

##### **Lambeth Council – West Norwood Feast**

The West Norwood Feast is a non-profit monthly market run entirely by volunteers from the local area. The aim is to work together to boost the profile of the area and bring more trade and interest to the high street. From its beginning as a group of strangers meeting for the first time in a pub, with Space Makers Agency acting as a catalyst, the West Norwood Feast has brought people from the community together to work towards making their neighbourhood a better place to live. More than that, it has altered the way in which people view West Norwood as a place. The Feast consists of four market 'hubs' — Food Fair,



procedures to ensure best practice; and systematically planning, implementing, reviewing and celebrating successful initiatives.

### **Glasgow City Council – Transfer of Community Assets to the Community and the Community Facilities Social Enterprise Fund**

Since 2012, Glasgow City Council has agreed a process for the transfer and/or management of community or under-used assets to community or third sector groups. The principal objective of this policy is to support residents who want to constitute themselves a group and to manage local community facilities. One of the examples highlighted is Maryhill Central Halls, which was transferred over for public use. The transfer of community assets is not quantified; it is dependent on individual business case requirements.

### **Plymouth City Council – Four Greens Community Trust**

The Four Greens Community Trust (FGCT) is a new trust, set up for people living in the north of Plymouth, an area with a high concentration of low wages and deprivation. Part of the Trust's role is to create local jobs, enterprise and training, for an area with traditionally low economic participation. Plymouth City Council has set aside land and property worth around £3 million, which can be used by the community, for the community, for the purpose of bringing about a dramatic boost to the economy. After working with a group of around 40 local stakeholders, a steering group comprising local residents, stakeholders and councillors was set up to progress the trust. This is now a community interest company with a fully elected Board including eight locally invested stakeholders, and two local councillors.

The trust's first project is the conversion of an empty care home into a community enterprise hub, which has the potential to deliver 24 business units and 5 incubator business hubs, along with staff to run the building, and an outcome of 65 jobs over the first 2 years. In addition, the trust is looking at innovative ways of targeting young people to consider construction as a career choice, skills development associated with food growing, and extending Unlimited's 'Star People' programme to support local people to set up their own enterprises. The trust also has wider ambitions to improve facilities and services in the area, and turn the north of the city into a destination of choice, where people want to live, work and visit

### **Plymouth City Council – Barne Barton neighbourhood planning and jobs/growth**

Plymouth City Council (PCC) is supporting the development of the first Neighbourhood Plan by a community-led Neighbourhood Forum in Plymouth, which includes a jobs/enterprise theme alongside other agendas such as housing, green space and youth activity. This long term plan has provided support for activities, such as developing social

Retro Village, Artisans' Corner and Fresh 'n' Green and a whole host of activities including street performance, occasional free cinema screenings, family friend treats and even tours of West Norwood Cemetery. Feast has made a real difference to the area, boosting the number of new independent businesses now trading on the high street, increasing footfall and bringing new life and content to a once unloved high street.

Local people and businesses led this development, bringing economic and social improvement to the high street; and bringing together people and place.

### **Liverpool City Council – Strategic approach to 'good growth'**

Liverpool City Council has embedded cooperative principles into its approach to creating economic growth – ensuring that it benefits local people and tackles disadvantage and economic inequality. This has included, for example:

- Supplementing the Youth Contract in Liverpool with council money and leadership, resulting in a decrease in the number of NEETs in Liverpool
- Using public procurement creatively to support the local economy. For example as part of the City Deal it is building 12 new schools, and as part of the commissioning process is working with local employers to ensure it benefits the local economy. The local spend of previous school builds was 20 percent; with the new schools it is around 60 percent local spend.
- As part of a £5.5bn private sector development of the docks (following a successful regional growth fund bid), the council has been commissioning in a way that creates jobs for unemployed people in deprived parts of the borough.
- Collaborating with credit unions to offer business start-up loans for deprived communities.

A recent report by PwC (Good Growth for Cities) listed Liverpool one of the top five performing cities for 'good growth' in the period 2011-2013, including the largest improvement in income equality (Source: PwC (2014) *Good growth for cities report 2014*).

### **Liverpool – Alt Vally Community Trust's Neighbourhood Services Company**

This is not a case study of a local authority-led scheme, but an example of a third sector "anchor" organisation boosting economic capacity in deprived communities (often working in partnership with the council and others). Alt Valley Community Trust is well-established local anchor organisation that has contributed to significant regeneration in North Liverpool. The Neighbourhood Services Company (NSC) was established in 2001 as the social enterprise trading partner of Alt Valley Community Trust. Its aims were to create employment and



enterprises to deliver services strengthening links to areas of employment activity, and removing barriers to further education. This is off the back of strong local partnership working. PCC developed the Barne Barton Partnership to engage service providers in more effective joint work to address local issues. Partners have been involved in running a work club, delivering a summer programme to provide positive engagement opportunities for families and young people, and are supporting the new Neighbourhood Forum.

#### **City of York Council – Living Wage**

Recognising issues of low pay, the growth of in-work poverty and taking up the challenge of the recommendations of 'The York Fairness Commission', City of York Council (CYC) committed to become a Living Wage (LW) employer in November 2012. CYC was the first council in the region to become a LW employer, and was a founding member of the LW City Coalition set up in November 2012 to promote the benefits of the LW to the city's employers. Today, 692 council staff are paid the LW, lifting 10.5 percent of the workforce out of low pay.

A key part of CYC's approach is championing the living wage. York's LW City Coalition meets regularly, championing the LW through producing guidance for local employers, speaking at events and taking part in regular campaign activities throughout the year. It includes CYC, Joseph Rowntree Foundation, Joseph Rowntree Housing Trust, Aviva, York CVS (Council for Voluntary Service), York CAB (Citizens Advice Bureau) and York St. John University. It shares their knowledge and experience of the challenges of implementing the LW with other employers and to promote it in the city region. A number of private and public sector employers have signed up to the LW in the city, including larger employers such as Aviva, Nestle as well as our smaller businesses such as The Golden Ball community pub (the Living Wage Champion Award Winners 2014 - Yorkshire and the Humber).

#### **Bassetlaw District Council – Establishing a Regeneration and Growth Team**

To complement the development of the Growth Strategy and respond to the demands of developers and partners from the two LEPs Bassetlaw DC is involved in, in March 2014 a temporary arrangement was established from a small cohort of officers. The Regeneration and Growth Team was established to firstly take ownership of the emerging strategy, meet the specific demands of the LEPs in terms asks to Central Government and primarily bring together officers to create one point of contact for future growth and inward investment.

The team is tasked to deliver mainly with securing additional income to the District Council through increased businesses rates, New Homes Bonus and other funding opportunities through working with other departments including Planning, Economic Development, Strategic Housing, Estates as well as

apprenticeship opportunities for local residents and to use ethical, local trading to support the development of local facilities and improve health and well-being. Since it was established NSC has been delivering building and maintenance contracts for Housing Associations, and employing local people. As well as providing employment, NSC has developed a local supply chain, by sub-contracting work its employees cannot do to local, small building contractors. These businesses have had the opportunity to work on RSL contracts through NSC, gaining the experience and track record to go for similar work with other RSLs and private main contractors. This has seen the growth of local businesses and a growth of their own local employment.

Overall NSC has had a wide range of economic impacts that includes:

- Support and growth of more than 50 local businesses, in an area where business ownership is very low
- NSC has employs 70 people from the local area, and in the last 2 years has provided over 30 apprenticeships
- Over 95% of spend from NSC contracts goes directly into the Liverpool economy, with around 80% into the neighbourhoods where NSC works.

#### **Croydon Council – Surrey StrEatery**

Surrey StrEatery is jointly funded from the Mayor of London's Regeneration Fund and by Croydon Council to give seven budding street food traders the chance to start or expand their fledgling enterprise and creating 14 jobs through the use of vacant shops premises at Bridge House, Surrey Street. Running until May next year, the project will provide six months' support to help the traders build their businesses including a tailored package of free space to trade, with no rent, rates or utility bills and training and mentoring support. The Surrey StrEatery is co-delivered by traders who are intended to benefit from or be assisted by the intervention. It involves close joined-up working with the traders of Surrey Street Market to complement the food offer to residents/consumers, as well as, joined up-promotions of themed activities such as Christmas and Easter to enrich the shopping experience for consumers. The Surrey StrEatery's healthy food options also aligns to Croydon Food Flagship Programme - to promote healthy eating, cook better food and reduce obesity in schools and communities. The aim is to join-up a number of workstreams with mutual outcomes, including healthy cooking workshops and set-up of new food businesses.

#### **Salford City Council – Social value commissioning**

The Health and Well Being Board in Salford has been leading a cross-partnership piece of work to look at how to maximise social value from all commissioning and procurement. A Social Value Charter and toolkit was officially launched in November 2014 to help organisations embed social value into both their

working directly with local communities (through the Localism Agenda and the introduction of Neighbourhood Plans).

The team is focused on ensuring that there are new job opportunities within the district, new homes for people to live in as well the services and facilities that are required. The team aim to work alongside landowners, developers and the community to deliver these jointly. The officers from the Council are effectively doing the same jobs, but with a different emphasis – to secure more commercial opportunities through development and working directly with the communities affected.

### **Ethical Care Charter and Ethical Care Councils**

In response to a growing trend of poor terms and conditions for care workers, UNISON (the public service union) developed an ethical care charter and encouraged local authorities to become 'ethical care councils'. The charter includes various commitments, including avoiding zero hour contracts, paying the living wage, paying workers for travel time and expenses, and empowering them to provide a dignified service based on need rather than pressure to complete care visits within a specific period of time. Islington Council has implemented the care charter in its domiciliary care services, using best value contract clauses to ensure this is done so in a financial sustainable way.

commissioning and delivery arrangements and provide an opportunity to promote economic growth and benefits such as increased employment and training opportunities.

Some examples in Salford where social value has been secured include:

a) *Pendleton Together* - specific employment and training requirements were built in to the commissioning/ procurement of the preferred organisation to deliver the Pendleton PFI programme. Specific commitments over the thirty year life of the Pendleton Together programme include:

- 500 new employment opportunities
- 190 apprentices
- 2,000 work experience opportunities
- training for 3,200 people, and
- A third of the total value of the supply chain to be based in Salford.

b) *Salford City Council Construction Frameworks* - Salford City Council has taken a proactive approach in getting contractors to demonstrate both past experience and proposed future delivery of social value, particularly additional economic benefit, through the provision of construction works to the Council. This has been evidenced through the Council's tendering process, contract management and also briefing events with current and future contractors to the Council. Budget holders are working with a number of teams within the City Council such as Procurement, Skills and Work and Business Development, in engaging with construction contractors to manage, monitor and report social value delivered through contract delivery under the Council's new Construction Framework Agreements.

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# Annex 1 – Evidence Sessions

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## Approach

The Commission held evidence sessions in three different parts of the country: the Liverpool city region, Sandwell and Plymouth. The evidence sessions were designed to understand how policies and practice related to skills, employment and enterprise impact a specific place; how the system can be designed better; and what local, innovative and cooperative approaches currently exist and how they can be better supported and nurtured through a new settlement. The evidence sessions deliberately used a participatory design and included residents and service users such as apprentices and unemployed people.

Over 50 people attended the evidence sessions. This included a broad mix of representatives from the public sector, third sector, business, organisations that deliver employment, skills or business support and service users and residents. We invited participants with knowledge and experience of:

- Employment support
- Business support
- Work programme
- Local labour markets
- Starting a small business/working as an entrepreneur
- Skills provision
- Working with employers to support in-work progression
- Barriers to accessing local labour markets
- Developing local growth strategies
- Developing system capacity

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## Structure and focus

The Commission sought to gather three forms of evidence: the perceptions of those involved, case studies of cooperative initiatives, and quantified evidence. Participants were asked to prepare evidence on:

- The current system of employment support, skills and enterprise, including its limitations, the blockers and barriers and the things that work well.
- The benefits and challenges of working cooperatively, with a focus on measurable benefits such as lower cost, improved outcomes, sustainability and wider community impact, for example on health and wellbeing
- Identifying specific cooperative initiatives or programmes related to employment, skills or enterprise and the evidence of specific benefits
- How an alternative system might be designed to better meet the needs of local people, business and the public sector

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## Outputs

The outputs of the session were captured through notes, flipcharts, drawings representing future models and videos. Case study examples shared at the sessions were followed up.

The ideas developed at these sessions have informed our description of the current system and the barriers that citizens and business face.

The evidence sessions came up with compelling ideas for how local systems could work better - creating seamless pathways for individuals, changing the way we think of welfare and investment, creating new cooperative institutions to link education and employment and harnessing the commitment of business to rediscover the “training habit”.

Given that every area is different we have tried to reflect the spirit of these ideas in the context of broader recommendations designed to change relationships locally and create the circumstances in which each areas can design the system that will work for them. Our recommendations are for how councils need to work differently with citizens, business and central government to unlock local creativity and improve outcomes.



# Annex 2 – Acronyms

BIS	Department for Business, Innovation and Skills
BITC	Business in the Community
CCIN	Cooperative Councils Innovation Network
DCLG	Department for Communities and Local Government
DWP	Department for Work and Pensions
EEDA	East of England Development Agency
ERDF	European Regional Development Fund
ESA	Employment and Support Allowance
GDP	Gross Domestic Product
GVA	Gross Value Added
JCP	Jobcentre Plus
LEP	Local Enterprise Partnership
LGA	The Local Government Association
NEETs	Under 25s Not in Education, Training or Employment
SMEs	Small and Medium Enterprises
WWCLEG	What Works Centre for Local Economic Growth



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