DEVOLUTION AND DISADVANTAGE IN THE SHEFFIELD CITY REGION:

AN ASSESSMENT OF EMPLOYMENT, SKILLS, AND WELFARE POLICIES

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EXECUTIVE SUMMARY

In late 2014, the Cameron-led UK Government announced its flagship Northern Powerhouse initiative, whereby city regions were to be given more ‘powers’ to develop initiatives in their local areas, in order to regenerate city economies, which for many years lagged behind in terms of growth and prosperity. The Northern Powerhouse in effect expands on and consolidates previous devolution initiatives allowing the Local Enterprise Partnerships (LEPs) and local authority leaders from Manchester, Leeds, Liverpool, Newcastle and Sheffield to collaborate ‘strategically’ on key issues. This included increased powers over transport and economic planning; electing their own Mayors; some powers to manage health; new employment and skills power via apprenticeships; and in 2017, the co-commissioning of welfare to work policies.

Much of the devolution debate has been focused on economic ‘growth’, but pressing questions remain as to what kind of local and regional development is optimal, and for whom? Within this context, this report analyses the implications of national and devolved policies for economic and social disadvantage in the Sheffield City Region and ultimately argues for a more inclusive and sustainable growth strategy. We found that:

- Devolution growth objectives face significant challenges: the combined impact of austerity cuts and welfare reforms result in over £1.1 billion in lost income to the SCR, far exceeding committed monies from Devolution Deals. Current budget settlements for local authorities involve further cuts of around £131m for just 2016-2017, with disadvantaged groups and areas particularly affected.
- Economic and social disadvantage, combined with difficult labour market conditions including the low paid and poor quality sustainable employment, presents major challenges for employment and skills policies.
- There is a lack of perspective in terms of how disadvantaged groups can be included in, and importantly benefit from, SCR policies to stimulate growth.

THE DEVOLUTION REVOLUTION

The UK Government has adopted a ‘localist’ approach to economic development as the primary policy tool for rebalancing of the economy and tackling spatial inequalities. This has seen the development of initiatives such as the Northern Powerhouse, Local Enterprise Partnerships (LEP), Local Growth Deals, City Deals, and latterly Devolution Deals, but questions remain as to whether these policy levers have been the most effective in terms of creating the right conditions for sustainable growth and shared prosperity. In order to assess these new mechanisms, this research uses the SCR Devolution Agreements to provide a useful window for examining their policy effectiveness, particularly in relation to addressing the needs
of disadvantaged groups. The SCR comprises nine local authorities: Sheffield, Barnsley, Rotherham, Doncaster, Chesterfield, North East Derbyshire, Bassetlaw, Bolsover and Derbyshire Dales. Signed in October 2015 and with a vision to create a ‘second industrial revolution’ by 2045 focused on skills and employment, this devolution settlement promises to shift power from Whitehall to the SCR. This is underpinned by a £900 million agreement (£30m of funding per annum for 30 years ‘immune from any spending review’), giving greater control to local leaders over skills, transport, housing and business support, and builds on earlier initiatives as part of the Regional Growth Fund, which included the establishment of the Skills Made Easy Programme (2012-2015) and the Skills Bank (in 2015). Key components of this Devolution Agreement include:

- The Government will enable local commissioning of outcomes to be achieved from the 19+ adult skills budget starting from year 2016/17; and will fully devolve budgets to the SCR Combined Authority from academic year 2018/19.
- An Area Based Review, to involve the design and implementation of post-16 Further Education within the City Region (started in 2016 to be completed in March 2017).
- From April 2017, the SCR will work with DWP to co-design future employment support for harder-to-help claimants; many of whom are currently referred to the Work Programme and Work Choice.
- SCR will have new responsibilities over apprenticeship brokerage activities targeted at SMEs including the 'Skills Made Easy' programme, Skills Bank, and Ambition Sheffield City Region—a partnership led by Sheffield City Council on behalf of the LEP and the city region’s local authorities.

Whilst devolution opens up significant opportunities for the SRC, there remain some pressing questions as to whether such governance models are sufficiently addressing the needs of disadvantaged groups or simply reinforcing inequalities. Set against a background of austerity and public expenditure cuts, the potential for the devolution agenda to be undermined remains a real challenge. The SCR has a legacy of deindustrialisation, shattered communities, and broken promises from central government, so the barriers to creating genuine economic and social prosperity are significant.

THE SHEFFIELD SITUATION

Within the SCR, there are a number of challenges facing the labour market which warrant closer inspection, including:

- A relative lower level of economic performance and productivity, with the city region ranking in 15th place out of 39 LEPs in England.
- A lack of employment demand and ‘poor jobs’ growth. The recession has hit the SCR hard, impacting on an already weak labour market, with an estimated additional 70,000 jobs required to “narrow the gap” with other parts of the country (and GDP growth of almost 5%).
- A Resolution Foundation study has found that SCR has the highest proportion of people in low paid work and below the recommended living wage (24%).
- A large unskilled workforce. In the SCR, nearly 127,000 people of working age possess no formal qualifications and a further 150,000 have qualifications below Level 2. Under-employment is a prevalent feature of labour market inequality in SCR as many new jobs created are self-employed, temporary, part-time and comprise zero hours contracts.
- There are significant barriers for disabled people and those claiming long-term sickness benefits to access both employment and vocational training. In the SCR there are 85,640 people claiming Employment Support Allowance/Incapacity Benefits (7.4%) and 16,090 receiving disability benefits (1.4%)—above the national average (6.3% and 1.1% respectively).
- Women are particularly disadvantaged in the labour market in terms of employment opportunities and pay. The majority of part time employment is taken by women, with a higher proportion of women earning below the living wage compared with men.
- Young people are experiencing high unemployment—approximately 35,700 16-24 year olds in the SCR are unemployed; this is 22.3% of the total. The number of 16-18 year olds not in education, employment or training (NEET) is over 3,700.

**UNDERMINING THE DEVOLUTION DREAM**

This landscape is then further complicated by the reality that there are a number of national and local-based employment and skills programmes being implemented in the SCR, which are often beyond the influence of the SCR LEP and Combined Authority. We found that these policies and initiatives were poorly coordinated. For example, the Work Programme has not been sufficiently aligned with the employment and skills initiatives of local partnerships. There is little transparency on how initiatives perform and their effectiveness. Furthermore, the skills system is extremely complex and this raises questions in relation to how the devolution arrangements will lead to a more integrated and effective employment and skills system. Devolution is highly selective: what is being devolved is the supervision and delivery of a relatively narrow sub-set of Employment and Skills activity (post-19 adult skills) rather than any locality influence over the whole design, nature, and direction of travel of policy and practice.

The research highlights a number of areas where access to the employment and skills system for disadvantaged groups is not being widened and where social and geographical inequalities are increasing in the SCR. Ten areas are flagged, which need to be addressed by policy-makers and politicians as a matter of urgency if city regions are to become more economically inclusive and prosperous:

1) **Austerity driven cuts challenge city region growth**

- The total expenditure reduction for the nine SCR local authorities between 2010-2014 amounted to around £442.4m; with the loss of income as a result of welfare changes among resident population in 2015 alone amounting to approximately £577m. This collectively is a £1.19b loss of income from the
SCR, which needs to be compared to the Sheffield devolution promise of £900m over 30 years.
- In addition, the estimated cumulative cuts (savings) for the 2016/17-year for the nine local authorities amount to a further £131 million.

2) A harsher welfare regime compounds the challenge
- There is evidence that the welfare changes negatively impact on benefit claimants in terms of increasing levels of impoverishment and this can create barriers to accessing the employment skills system.
- Between 2012 and 2015, approximately 70,000 Job Seekers Allowance sanctions have been implemented within the SCR and there is evidence that this has led to poverty (increase in food poverty and personal debt is creating an increasing use of Food Banks) and people being deterred from accessing the employment and skills system.

3) Cuts to adult skills budgets adversely impact on disadvantaged groups
- There has been overall a significant reduction in central government spending on local economic growth in the SCR as part of the Government’s deficit reduction programme.
- The European Union Social Fund (ESF) has co-funded with the Skills Funding Agency (SFA) a significant number of programmes (between 2012-2015) targeted at disadvantaged groups in the labour market. These programmes have now ended and this is the equivalent of a loss of nearly £40 million. Given the recent BREXIT decision and the skills funding cuts, it is unlikely that these will be continued or replaced under the new devolution arrangements.
- The adult Skills budget cuts have been ongoing for a number of years reducing access to skills for disadvantaged groups.

4) Universal Credit and ‘Making Work Pay’ are undermined by low pay and poor work quality
- The anticipated roll out of Universal Credit with its design to ‘make work pay’ faces significant challenges to its effective implementation given the prevalence of low pay and poor work in the SCR.
- The challenge for disadvantaged groups is not only accessing work but also meeting the in-work progression requirements of Universal Credit.

5) Work Programme failing disadvantaged groups
- Limited opportunities exist for ‘making work pay’ including progression in employment given the nature of pay, work organization, job design, casualization and increasing use of zero hours contracts.
- The Work Programme has significant resource challenges in the SCR.
- Difficult labour market conditions prevail, particularly where there is a lack of sustainable jobs, which presents challenges for signposting disadvantaged groups into work and training.
6) Lack of access to affordable childcare restricts employment opportunities

- Families with younger children often cut back on work or are less likely to take on higher paid work when children are young.
- This is compounded by increased costs such as paying for childcare given that many lone parents and families are reliant on low paid work. Larger families have increased costs and lone parents are often unable to work as many hours as couple families.

7) Disadvantaged groups face barriers to accessing apprenticeships

- SCR is at the forefront of an apprenticeship revolution and the University of Sheffield's Advanced Manufacturing Research District high-tech collaboration between research and industry, focused on aerospace, automotive, medical tech and nuclear energy, is to be applauded. Joined-up strategies though are needed to fully realise this vision for all and empower disadvantaged groups.
- There is insufficient qualitative and quantitative analysis of how apprenticeships are working within the SCR—disadvantaged groups do not access programmes due to both funding and lack of employer engagement.
- Employers are reluctant to employ disadvantaged people, particularly young people.
- Uneven quality of Information Advice and Guidance (IAG) exists for apprenticeship options, which is leading to individuals not being aware of and exploring options.
- Low-level quality apprenticeships are prevalent; with unattractive and unsustainable pay rates, that compounds the above.

8) Poor Coordination exists between employment and skills policies

- The Work Programme seems to have been ‘parachuted’ into the regions with relatively little consideration in terms of how provision is coordinated with local services. Some links have been made but overall the WP has not featured as an integral part of SCR employment and skills policies.
- The SCR faces spatial challenges due to overlapping geographical administrative boundaries.

9) Devolution: missing an inclusion framework?

- The SCR faces pressing questions on the extent to which disadvantaged groups will access jobs created via economic development strategies.
- There is a lack of transparency regarding the nature and impact of employment and skills programmes in the SCR.
- There are weak links between welfare-to-work programmes and SCR initiatives and partnerships.
- There is little provision in the devolution agreements for organisations representing disadvantaged groups to be involved in decision-making.

10) Employers and problems with recruiting disadvantaged groups
Much of the debate tends to focus around unemployed and disadvantaged groups becoming ‘employable’ and obtaining the ‘right skills’ to obtain employment.

Employers tend not to recruit disadvantaged groups and people from deprived communities are often trapped in ‘poor’ work with low-pay, poor working conditions, long hours and job insecurity.

Discrimination is frequently cited as a reason why disabled people cannot access employment.

FIXING THE SYSTEM: RECOMMENDATIONS

The report highlights that current and planned devolution, welfare, employment and skills policies tend to reinforce economic and social disadvantage. The opportunities to access sustainable employment opportunities are limited for disadvantaged groups. Three key issues are identified, which need to be addressed by policy-makers and politicians as a matter of urgency.

First, the devolution settlement lacks an inclusive governance structure and process that can be accessed by disadvantaged groups. This can be addressed through greater consultation and representation both on the Local Enterprise Partnership and Combined Authority.

Second, the SCR economic strategy is largely fostered on supply-side economics and its ‘trickle down’ approach. There also needs to be a focus on demand-side approaches, which can be targeted at disadvantaged groups and an overall greater integration of the employment and skills system. Apprenticeships will play a key role in up-skilling in the SCR with the introduction of the Levy, but the quality and local brokerage of apprenticeships is crucially important and also complementary skills programmes, which assist disadvantaged groups, need to be in place.

Third, disadvantaged groups are disproportionately affected by both austerity measures and welfare policies. The benefit conditionality system is seen as increasingly tougher for vulnerable groups to negotiate. Whilst it is important to assess the adverse impact of cuts on growth and social disadvantage, there is a case for promoting the cost benefits of investing in employment and skills. In order to address the problems of a tougher benefit regime, there is a need to build into any devolved welfare to work system, including Universal Credit, a more user-friendly system for claimants and one that takes account of their voice and aspirations.

The report offers five specific recommendations for both national and city region policy makers:

1) Promote inclusive governance at the City Region level

- Ensure that disadvantaged groups and organisations that represent them (such as the voluntary sector) are involved in decision-making processes.
• Trade unions have important roles to play and should be represented alongside local authorities and business leaders.
• Establish joint spatial working relationships between the LEP, DWP, Work Programme providers, and Local Authorities, to tackle governance boundary problems and also facilitate the integration of employment and skills policies.

2) Design growth strategies to address poverty reduction

• Highlight the financial case for inclusion by undertaking a cost benefit analysis of anti-poverty initiatives and the public expenditure savings that can be accrued.

3) Redesign welfare to work programmes for target groups

• Redesign the claimant agreement so as to reduce the incidence of benefit sanctions such as incorporating a role for advice services to support the customer journey through the welfare to work system.
• Ensure that welfare to work programmes are appropriately resourced so that interventions can be sustained.

4) Increase emphasis on in-work support and progression

• Increase access to apprenticeships for disadvantaged groups—learn from best practice (e.g. LGA review).
• Promote high-quality apprenticeships in the context of expanding numbers and supporting the research of the relevant trade unions and Ofsted.
• Promote the employee voice in the city region through the Unionlearn model, which involves greater union engagement in promoting learning and skills development in the work place to disadvantaged groups.
• Pilot a Job Rotation model within the SCR.

5) Promote employment rights and employee voices within the city region

• This should include adopting initiatives developed by Sheffield’s Fairness Commission around all employers within Sheffield paying the living Wage.
• Ensure that unions are actively involved with training in city regions, building on the Unionlearn proven track record of achieving this.
DEVOLUTION AND DISADVANTAGE IN THE SHEFFIELD CITY REGION: AN ASSESSMENT OF EMPLOYMENT, SKILLS, AND WELFARE POLICIES

1. INTRODUCTION

Policy Context
The Government has adopted a ‘localist’ approach to economic development as the primary policy tool for rebalancing of the UK economy and tackling spatial inequalities. This has seen the development of initiatives such as the Northern Powerhouse, Local Enterprise Partnerships (LEP), Local Growth Deals, City Deals, and latterly Devolution Deals, but questions remain as to whether these policy levers have been the most effective in terms of creating the right conditions for sustainable growth and shared prosperity. Much of the devolution debate has been focused on North American-inspired agglomeration models of economic ‘growth’, but pressing questions are being asked on what kind of local and regional development and for whom?¹

The Sheffield City Region (SCR) Devolution Agreements was signed in October 2015 and with a vision for next 30 years to create a ‘second industrial revolution’ where skills and employment is the key to unlocking a blighted post-industrial urban landscape. The SCR Devolution settlement promises to shift power from Whitehall to the City-Region involving £900 million (£30m of funding for 30 years ‘immune from any spending review’), and giving greater control to local leaders over skills, transport, housing and business support. The SCR comprises nine local authorities: Sheffield, Barnsley, Rotherham, Doncaster, Chesterfield, North East Derbyshire, Bassetlaw, Bolsover and Derbyshire Dales (see Figure 1).

The city-region has emerged for successive Governments as the appropriate level for the coordination of employment and skills policies. The academic research taking place in this area is suggesting that there is still a significant gap in our knowledge in terms of how city region growth strategies and welfare to work programmes contribute to economic and employment growth as well as facilitates access to employment and skills by disadvantaged groups/geographical areas.² In a recent study on Northern Skills, the Institute for Public Policy Research (IPPR) outlined the ideal model for ‘inclusive governance’ which a local skills strategy can build around. Successful employment and local skills strategies, have the same core elements: they take a long-term view; they aim to provide a bridge between employers and learners; they involve a broad range of stakeholders in the decision-

making and organisational processes; they are backed by good intelligence and high levels of collaboration; and they form just one component in a wide range of economic development initiatives, albeit a very important component. Crucially, they are focused on the distinctive needs of local economies and the aspirations of local people.³

The Northern Powerhouse ‘devolution revolution’ raises several pressing questions:

- **How devolution combined with the Government’s austerity policies addresses the needs of disadvantaged groups,**

- **The extent to which the devolution ‘model’ in fact reinforces inequality**

- **There is a currently a question mark regarding the status of the Northern Powerhouse, devolution and regional policy under the current (2016) Government.**

The Sheffield City Region (SCR) Devolution Agreements provides a useful window for examining this policy effectiveness.

### Economic and Social Disadvantage in the Sheffield City Region

Within the SCR, there are a number of challenges facing the labour market and we can identify a number of key issues relating to economic and social disadvantage:

**Low level growth**

South Yorkshire is ranked in the top ten poorest regions within the EU for GVA growth. Between 1998 and 2008, South Yorkshire lagged behind the national average (57% compared to 63%)⁴. This reflected a relative lower level economic performance and productivity (SCR is in 15th place out of 39 LEPs in England), a lack of employment demand and ‘poor jobs’ growth. The recession has hit SCR hard, impacting on an already weak labour market, with an estimated additional 70,000 jobs requires to “narrow the gap” with other parts of the country (and a GDP growth of almost 5%). To meet the national average (excluding London) the SCR would need to increase GVA by £3 billion or 11%. Based on the forecast growth in other parts of the country the SCR would need to create around 120,000 jobs to close the gap with the national average by 2024. This would require GDP growth of almost 5% and “nowhere in the UK grows at this rate for such a sustained period of time”⁵.

**Low pay and low skill cycle**

The SCR labour market is locked in a low pay low skill cycle: SCR has significant numbers of people in low pay occupations that are vulnerable to in work poverty. SCR has the highest proportion of people paid below the recommended living wage

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⁴ Eurostat Briefing (2014) *The poorest regions in the UK are the poorest in Northern Europe,* Eurostat website.

(24%). A relatively high percentage (19.4%) of people in the SCR work in occupations within the retail, hotel and restaurant sector. In addition, there are approximately 127,000 people of working age within SCR with no formal qualifications; and a further 150,000 with qualifications below Level 2. Within SCR wide variation continues to exist in the qualification profile of the residents. This partly explains the relatively low productivity levels, as not enough SCR residents have high level qualifications and “too many have low or no qualifications”. The proportion of people with higher-level qualifications NVQ 4 and above is 27.9% compared with 36.0% national; while the proportion of people with no qualifications is 10.0% compared with the UK average of 8.8%. There are significant proportions of people working within the SCR working in low paid jobs and who are paid below the living wage.

**Health and employment disadvantage**

There are significant barriers for disabled people and those claiming long-term sickness benefits to access both employment and vocational training. In the SCR there are 85,640 people claiming ESA/Incapacity Benefits (7.4%) and 16,090 receiving disability benefits (1.4%)—above the national average (6.3% and 1.1% respectively). disabled JSA and ESA claimants face multiple challenges: disability, older age, low motivation, longer time out of work, outdated work skills, limited local employment prospects and the national economic downturn. The transition rate of disabled people from unemployment to work is some 6 times lower than that of their non-disabled peers.

**Women and lone parents**

Women are particularly disadvantaged in the labour market in terms of employment opportunities and pay. The majority of part time employment is taken by women and in Sheffield (2013), people working part-time earning in the bottom fifth of the population had an average hourly wage of £6.39, for those earning full-time this was £8.36. This is also reflected in the higher proportion of women who are paid below the living wage compared with men in the SCR (Table 1). Lone parents are one of the most disadvantaged groups in the labour market experiencing one of the highest rates of unemployment. A key issue for this group is the lack of affordable childcare and often facing inflexible working arrangements when there are employment opportunities.

**Young People**

Overall young people are severely disadvantaged in the SCR labour market. Approximately 35,700 16-24 year olds in the SCR are unemployed; this is 22.3% of the total. The number of 16-18 year olds not in education, employment or training (NEET) in the SCR is over 3,700, or 6.2% of this cohort (compared to 5.8% in England as a whole)

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9 Source: interview with Disability Dynamics, Bolsover
10 Richardson H and Leather D (2014) *What do we know about women in Sheffield?* Presentation Sheffield: Sheffield First Partnership
Impact of welfare changes
A key outcome of national welfare changes is the reported increase in poverty, debt and use of foodbanks. This has been a trend in all the local authority areas within the SCR. There is evidence that many people are being ‘pushed out’ of the welfare system altogether as a result of a combination of a tougher claimant agreement, benefit sanctions (see below) and being ‘put off’ claiming because of its complexity.

The Research Outlined
This report is the outcome of a project designed to address these important policy agendas and in doing so, provide a timely evidence-based from which the Sheffield City Region Local Enterprise Partnership and Combined Authority can begin to address the employment and skills challenges and future opportunities for further devolution being made available through the various Devolution Agreements. Our research is concerned with:

- What is the nature of employment and skills provision and what are the challenges in terms of joining up and coordinating policies? How do actors perceive these issues and possible solutions and innovations the enhance inclusion and capacity building?
- In what way do current employment and welfare policies and governance structures hinder access to the employment and skills system for disadvantaged groups in the Sheffield CR?
- Which policies and initiatives enable and facilitate access to the employment and skills system?

Objectives
The broad objectives of the research are to explore labour market governance and the many employment and skills policies in and through the SCR in terms of the way partnerships and programmes focus on and facilitate the needs of disadvantaged groups. The research explores:

(1) The impact of partnership building and knowledge-exchange policy sharing with local and regional providers involved in the delivery of employment and skills policies and welfare to work provision including the Work Programme. We specifically explore how collaboration with other stakeholders/actors (e.g. health, local strategic partnerships, local government, advice services) and policy interventions facilitate and address the economic needs of deprived groups.

(2) The extent to which the delivery of employment and skills policies within the SCR addresses the needs of deprived and disadvantaged groups; and in particular how funding and welfare changes, including benefit conditionality can hinder access to the employment and skills system.

(3) Analysis of policies and examples of ‘good practice’, within the SCR and in other city regions, which address the needs of disadvantaged groups.

This research, which has been funded by the University of Sheffield\textsuperscript{12}, is informed by two ongoing and parallel research studies—an ESRC project titled ‘Spaces of New Localism: Stakeholder Engagement and Economic Development in Wales and England’, which commenced in March 2015 with Martin Jones as principle investigator\textsuperscript{13} and second, ESRC-funded research previously undertaken by David Etherington on the ‘Politics of Conditional Rights in Social Policy in the United States and the United Kingdom’\textsuperscript{14}.

Research methods
The research has involved a number of mixed-methods sources. Stage 1 involved a policy scoping (qualitative and quantitative sources) and literature review. In stage 2, narrative policy analysis and discourse analysis were undertaken alongside stakeholder mapping, in order to capture both the employment and skills policies flowing in and through the Sheffield City Region as well as actor (policy-makers, practitioners, and stakeholders in general) in relation to the governance of the labour market\textsuperscript{15}. We also conducted 30 semi-structured interviews with key actors operating across the SCR, including interviews with WP providers, LEP, local authorities, NGOs. In stage 3, to supplement the qualitative data obtained from stakeholder interviews, a focus group was undertaken involving unemployed participants randomly assigned from records held by Sheffield College. A policy forum was held towards the end of the project at the University of Sheffield, with all those interviewed and invited national, regional, and local policy stakeholders, to triangulate the findings and the recommendations.

Structure of Report
The report is structured as follows. Section 2 analyses the nature of the devolution agreement in the Sheffield City Region. The following sections address the key research questions: The extent to which policies are joined up and coordinated including an overview of employment and skills policies and governance, focusing on welfare to work (the Work Programme), skills support programmes aimed at disadvantaged groups and some of the key city region and local authority initiatives (Section 3).: policies that hinder access to disadvantaged groups (Section 4), those that facilitate access drawing upon aspects of good practice (Section 5) and initiatives being developed by other city regions (Section 6). The report then concludes with a summary of the main findings (Section 7), which is followed by a section outlining some key recommendations (Section 8).

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\textsuperscript{12} The University of Sheffield funding is part an ESRC Impact Accelerator (IAA) grant, “Making City-Regions Work: Inclusive Governance, Skills, and Labour Market Disadvantage”.
2. DEVOLUTION AND THE SHEFFIELD CITY REGION

National Skills and Employment Policies

There are a plethora of initiatives currently in operation which aim to create a new skills landscape for the Sheffield City Region. This section maps the main employment and skills policies relevant to the research. City Deals include funding for both apprenticeships (Apprenticeship Grant for Employers AGE) and other forms of skills funding (see below on Sheffield). An Apprenticeship levy will support all post-16 apprenticeships in England, and will provide funding that each employer can use to meet their individual needs. The funding will be directly controlled by employers via the digital apprenticeships voucher, Traineeships are offered as courses and unpaid work experience for young people between 16-24. Local and regional educational policy will be shaped by Post 16 Area Reviews. Careers education information advice and guidance (CEIAG) is delegated to Schools responsible for commissioning careers advice, and National Careers Service (funded by BIS) contracted to providers. Living Wage for over 25 years will be implemented in 2017.

Welfare to Work

Universal Credit (UC) replaces the main means-tested benefits for those on low incomes in and out of work (Housing Benefit, Jobseeker’s Allowance, Income Support, Employment and Support Allowance, and Tax Credits) with a single benefit paid to the head of the household. Jobcentre Plus (JCP) operates Sector Skills Academies in order to refer JSA claimants to training combined with work placements as well as deploying skills conditionality as a way of encouraging claimants to take up training. The Work Programme (welfare to work programme) aimed at assisting people who are long term unemployed into employment. The Work Programme supports people claiming income-related Job Seekers Allowance (JSA) (rather than contribution-based) and Employment Support Allowance (ESA)—claimed by disabled people and those with long term health conditions. Initially new benefit claimants will be ‘processed’ by Jobcentre Plus and the WP is designed to provide services for those groups who are longer termed unemployed.

The WP operates around a pricing structure as a way of incentivizing providers to assist people to sustain work. Providers are funded on a payments-by-results (PBR) basis structured in relation to initial attachment to the programme, job outcomes, job sustainability with additional payments made for higher performing contractor.

Living Wage

The National Living Wage (NLW) is the legal hourly minimum for those aged 25 and over from April 2016. It is being introduced at a rate of £7.20, roughly equal to 55 per cent of the typical pay of those aged 25 or over nationwide and possible increase to 60 per cent by 2020. The NLW will have major benefits for Sheffield City Region, as it is one of the city regions with the highest proportion of people in low paid work. There may be challenges though in terms of how employers absorb the minimum wage; the fact that younger people are excluded will be a test to the credibility of addressing the low-pay low-skill cycle in terms of how the policy is ‘managed’ and monitored within the SCR.
Sheffield City Region Devolution Deal

The intention is to “create a skills system that is made in Sheffield and business-led, allowing for the staged implementation of a new skills model for apprenticeships and workforce training”. This will be framed around the devolution of funding and responsibilities, as outlined in Table 1.16

The Agreement builds upon earlier devolution initiatives funded under the City Deal (via the Regional Growth Fund)—the Skills Made Easy Programme (2012-2015) and the Skills Bank (established in 2015).

Skills Made Easy
Skills Made Easy is a programme, funded through the earlier City Deal and coordinated by Sheffield City Council on behalf SCR local authorities except for Doncaster. The aim is to put control over training directly into the hands of employers in the Sheffield City Region. The programme provides expert guidance on the choice of courses and training providers. The aim is to help small and medium sized companies across the SCR to get the high quality training of the type they need. Every individual who applies for an apprenticeship via Skills Made Easy is given a Personal Advisor once they have applied. Personal Advisors are always on hand to offer support, guidance, feedback from employers and CV and interview preparation. Cash wage incentives are available up to £1,500.

Skills Bank
The Skills Bank has been introduced to bring about a new culture in the skills system by empowering employers to choose and invest in the skills that they need. It is a £17 million fund, comprising of funding from the European Social Fund and Growth Funding. The key features of the Skills Bank include:

- Specialist support via a dedicated helpline;
- A bespoke economic impact model to assess the growth potential of Skills Deals and determine employer contribution and matched funding up to two thirds the cost of training;
- A network of brokers and a skills assessment tool to support employers in defining their skills needs;
- An approved list of providers that guarantees quality and value for money;
- An online community with relevant feedback to explore the best training in an area.

Table 1. Devolution of Employment and Skills in the Sheffield City Region

**Skills (19+)**
The Government will enable local commissioning of outcomes to be achieved from the 19+ adult skills budget starting in 2016/17; and will fully devolve budgets to the Sheffield City Region LEP and Combined Authority from 2018/19 (subject to readiness conditions). These arrangements do not cover apprenticeships. Devolution will proceed in three stages, across the next three academic years:

a. Starting now, the SCR will begin to prepare for local commissioning. It will develop a series of outcome agreements with providers about what should be delivered in return for allocations in the 2016/17 academic year. This will replace the current system of funding by qualifications as providers will receive their total 19+ skills funding as a single block allocation. This new arrangement will allow the SCR Combined Authority to agree with providers the mix and balance of provision that will be delivered in return for the block funding, and to define how success will be assessed.

b. For 2017/18, and following the Area Review, Government will work with the SCR to vary the block grant allocations made to providers, within an agreed framework.

c. From 2018/19, there will be full devolution of funding. The SCR will be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices. A funding formula for calculating the size of the grant to local /combined authorities will need to take into account a range of demographic, educational and labour market factors.

**Skills (16-18)**
An Area Based Review of post-16 education and training leading to agreed recommendations is currently taking place. The outcomes of this will be taken forward in line with the principles of the devolved arrangements. The review is being chaired by the SCR Combined Authority and will include all post-16 education and training provision in the initial analysis phase. Recommendations will be focused on General FE and Sixth Form Colleges, however, the Regional Schools Commissioner and the relevant local authorities will consider any specific issues arising from the reviews for school sixth form provision.

To ensure continued local collaboration following the Area Based Review, the Sheffield City Region LEP and Combined Authority will work in partnership with local colleges and providers to publish a local skills strategy. This will aim to help ensure that post-16 providers are delivering the skills that local employers require. It is expected that the SCR will then collaborate with colleges and providers, with appropriate support from EFA, to work towards that plan.

Following the Area Based Review, HM Government expects the Regional Schools Commissioner to continue to engage with the SCR to ensure local links and working are maintained. Careers advice, which is employer-led, is being integrated further to meet local needs. In particular, the SCR will ensure that local priorities are fed into provision through direct involvement and collaboration with HMG in the design of careers and enterprise provision for all ages, including collaboration on the work of the Careers and Enterprise Company and the National Careers Service.
Employment
Sheffield City Region LEP and Combined Authority will work with DWP to co-design the future employment support, from April 2017, for harder-to-help claimants, many of whom are currently referred to the Work Programme and Work Choice. The respective roles of DWP and Sheffield City Region Combined Authority in the co-design will include:

a. DWP sets the funding envelope, SCR can top up if they wish to, but are not required to.
b. SCR will set out how they will join up local public services in order to improve outcomes for this group, particularly how they will work with the Clinical Commissioning Groups/third sector to enable timely health-based support.
c. DWP set the high-level performance framework and will ensure the support appropriately reflects labour market issues. The primary outcomes will be to reduce unemployment and move people into sustained employment. SCR will have some flexibility to determine specific local outcomes that reflect local labour market priorities; these outcomes should be complementary to the ultimate employment outcome (for example in-work wage progression). In determining the local outcome(s), SCR should work with DWP to take account of the labour market evidence base and articulate how the additional outcome(s) will fit within the wider strategic and economic context and deliver value for money.

The SCR will agree a 3-year Skills for Growth and Employment Plan, endorsed by Business Innovation and Skills (BIS) and Skills Funding Agency (SFA), to develop and deliver a new model for employer-led apprenticeship and adult retraining.

The Sheffield LEP is also initiating an employability programme Progress to Work along with the Skills Bank “to deliver higher rates of economic return and financial contribution that places purchasing power for skills firmly in the hands of employers whilst reducing costs to the public purse associated with the direct costs of benefits and the indirect costs associated with providing services liked to poor health, for example”.17 The key policies are summarised in Figure 1 and Table 3 below.

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17 Sheffield LEP (2014) SCR Growth Plan, p44
In addressing the question of coordinating and joining up policies we mapped the key employment and skills policies and initiatives which are operating alongside the devolution trends outlined above.

### Mapping Welfare to Work in the Sheffield City Region

#### The Work Programme
An insight into the complex nature of the employment and skills system can be obtained by analyzing the implementation of welfare to work. The SCR encompasses two Work Programme contract areas (South Yorkshire and East Midlands) with Serco (SY), People Plus (SY and EM) and Ingeus (EM) as the prime contractors. As Figure 1 shows the Derbyshire part of the City Region is covered by part of the East Midlands contract area so with the exception of South Yorkshire contract area, the actual delivery of welfare to work programmes is neither aligned to local authority or City Region boundaries. There are numerous sub contracted organisations involved in both providing employability services and facilitating access to training for the more hard to reach groups in the labour market.

All the Prime Contractors assign claimants to a Personal Advisor (PA). Also common to all Prime Contractors is the ‘customer journey’ from the referral from Jobcentre

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**Figure 1 Sheffield City Region Local Authorities and key policies**

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3. EMPLOYMENT AND SKILLS PROVISION: AN INCREASINGLY CENTRALISED COMPLEX AND POORLY COORDINATED POLICY LANDSCAPE
Plus to exit from the programme in 2 years. Serco in contrast with People Plus and Ingeus operate a split model so that the ‘customer journey’ can involve more than one sub contracted provider and different PAs. In this way sub-contractors can provide specialist services such as training.\textsuperscript{18}

As Table 2 indicates, the Prime Contractors have different approaches to delivering employment and skills. The issue of health barriers and complex needs of benefit claimants has been emphasized by the three WP providers and how people progress through the ‘claimant journey’ depended upon individual need and progress. Specialist provision is bought in when required and there is an increasing trend towards networking with other organizations such as NGOs in order to signpost claimants for support.

\textbf{Table 2. Work Programme Providers Claimants Assessment Process}

<table>
<thead>
<tr>
<th>Work Programme Provider</th>
<th>Area of Provision in City Region</th>
<th>Nature of personalised support in relation to health barriers</th>
<th>Nature of support in terms of skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serco</td>
<td>South Yorkshire</td>
<td>Initial in depth assessment process which identifies skills needs. Contracts out various aspects of support to specialist providers</td>
<td>Uses referral system in terms of training support for WP participants – sub contracts to chain of suppliers of specialist services</td>
</tr>
<tr>
<td>People Plus (formerly a4e)</td>
<td>South Yorks and East Midlands</td>
<td>Initial assessment which identifies skills needs. Dialogue based assessment of health barriers and specialist health assessments to identify capacity to work. Most work undertaken in-house with some sub-contracting.</td>
<td>Provision in house. Has its own Skills Division split around work in Wales, Academies, Apprenticeships, Employability and Traineeships and e-learning. Some limited sub-contracting.</td>
</tr>
<tr>
<td>Ingeus</td>
<td>East Midlands</td>
<td>Most of services provided in house. Claimants have access to health professionals including occupational health</td>
<td>Ingeus active involvement with skills provision as an Adults Skills Budget Holder including Skills Support for Workforce and Local Response Fund in Sheffield City Region.</td>
</tr>
</tbody>
</table>

\textsuperscript{18} Association of Employers and Learning Providers (2014) \textit{A Guide to Delivering Adult Skills Provision to the Unemployed} (AELP: Bristol).
Jobcentre Plus and skills conditionality
DWP introduced Skills Conditionality in August 2011, following a pilot in 2010, which tested the labour market effect of mandating skills participation. As a result of this, active benefits claimants are now required to attend training if a DWP Adviser considers that skills needs are the main barrier to entering employment. Skills Conditionality has been designed to help people get the training they need to find sustainable employment more effectively. It does this by mandating them to attend training (i.e. making attendance compulsory as a component of their Jobseeker’s Agreement [JSAG]). If a customer does not attend, they may face benefit sanctions (i.e. a temporary reduction or withdrawal of their benefit).

The following guidelines apply to Skills Conditionality sanctions:

- customers who fail to attend the training may face benefit sanctions;
- sanctions are administered by DWP staff and can last for two, four or six weeks;
- where sanctions are applied, the preferred option is to return the learner to the provider to complete their course;
- before a learner can be mandated to provision, the provider must confirm to DWP that they have a suitable, fully funded place.

Sheffield College (as a key training provider within the City Region) offers over 20 courses as part of its Route to Employment employability programme for students claiming benefits and being referred from Jobcentre Plus with many mandated under the skills conditionality scheme. Courses run for between 5 and 10 weeks and take place on two days per week. Although courses are open to all participants within the SCR, most of the participants are from the Sheffield and the South Yorkshire local authority areas.

Sector-Based Work Academies
A Sector Based Work Academy (SBWA) is a DWP initiative launched in 2011 and offers pre-employment training, work placements and guaranteed interviews for recipients of JSA, ESA (WRAG) or UC in sectors with high volumes of current local vacancies. This delivers specialised skills to employees and learners to help them respond to specific business sector needs and were established, shaped and led by employers to strengthen and improve business competitiveness in key areas of the economy. Further Education Colleges in the SCR are involved with SBWA. Dearne Valley College for example focuses on a number of sectors including health, retail, hospitality and catering and Barnsley College in relation to SFA/ESF Skills Programmes (see below).
Mapping City Region Scale Employment and Skills Initiatives

This section analyses the main programmes that operate at the City Region scale (see Table 3).

### Table 3. SCR Geography of Employment and Skills Strategies

<table>
<thead>
<tr>
<th>City Region</th>
<th>Work Programme Contract Area</th>
<th>Local Strategy and Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>SCR, (Ambition Skills Made Easy, Skills Bank) Leeds City Region skills and employment initiatives</td>
<td>South Yorkshire: Serco and People Plus as Prime Contractors</td>
</tr>
<tr>
<td>Doncaster</td>
<td>SCR (Ambition Skills Made Easy, Skills Bank)</td>
<td>South Yorkshire: Serco and People Plus as Prime Contractors</td>
</tr>
<tr>
<td>NE Derbyshire</td>
<td>SCR, Ambition Skills Made Easy, Skills Bank, CC Employment and Skills Board initiatives</td>
<td>Part of East Midlands Ingeus and People Plus as Primes</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>SCR, Ambition Skills Made Easy, Skills Bank, Derbyshire Employment and Skills Board</td>
<td>Part of East Midlands Ingeus and People Plus as Primes</td>
</tr>
<tr>
<td>Bolsover</td>
<td>SCR Ambition Skills Made Easy, Skills Bank) and Derbyshire Employment and Skills Board</td>
<td>Part of East Midlands Ingeus and People Plus as Prime Contractors</td>
</tr>
</tbody>
</table>
Ambition Sheffield City Region and tackling youth unemployment

A partnership led by Sheffield City Council on behalf of the Local Enterprise Partnership (LEP) and the SCR local authorities has been successful in its submission to Cabinet Office to pilot a youth employment model as part of the national Youth Employment Programme. The pilot, known as Ambition SCR, commenced in September 2014 and will, in the next two years, support 2,370 18-24 year olds claiming Jobseekers Allowance (JSA) to progress towards the labour market with a minimum of 950 moving into sustainable employment. The programme will also contribute to the design of future employment initiatives commissioned by the Department for Work and Pensions (DWP) and SCR LEP and Combined Authority.

The Ambition SCR programme will over a two-year period:

- Target 18-24 year olds who have been claiming JSA for three months or more provide early entry to the programme for a cohort of young people who were previously Not in Education, Employment, or Training (NEET) before claiming JSA provide a programme of up to 18 weeks workplace-based support which will allow young people to develop their CV and job survival skills in a work environment;
- Assign a key worker who will support the young person through the programme and provide continuing in-work support for a further six months for those young people that secure employment;
- Act as a demonstration project capable of testing and refining the delivery mechanism by which the city-region can address employability as part of its Strategic Economic Plan contribute to the shape of future government employment programmes;
- Build the case for devolution of funding for employment and skills.

**Table 4. Key Elements of Ambition Programme**

Through Ambition SCR every individual young Jobseeker will receive:

- an initial diagnostic assessment to establish an immediate job goal,
- an action plan detailing steps to achieve that job goal and a career development plan
- at least twelve weeks employment preparation
- a keyworker to support them through the programme
- support for confidence building, money management and job

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Sheffield City Council (2014) *Ambition SCR: A Localised Approach to Tackling Youth Unemployment* (Sheffield City Council: Sheffield).
survival techniques

- a work placement with an employer that can provide experience to support an agreed career goal
- ongoing assessment and CV development
- appropriate job-related training
- help with job search so that jobseekers have the best opportunity to progress to sustainable employment
- a further six months key worker support for those securing work to aid the transition to sustainable employment
- the incentive of a savings premium of £500 for those individuals that complete the programme and secure work to be paid in three stages:
  - £100 on entering employment
  - £150 on reaching the 3 month stage of employment
  - £250 on reaching the 6 month stage of employment

Limitations to Ambition
Ambition has received some criticism because it only addresses those relatively close to the labour market, often termed ‘the low hanging fruit’. This raises questions about its ability and approach to engage those in the cohort who are further away from employment.

Talent Match Big Lottery Fund
Talent Match is a Big Lottery Fund strategic programme investing £108 million in 21 Local Enterprise Partnership (LEP) areas, which have experienced particularly high levels of youth unemployment. The focus of the programme is on developing holistic approaches to combating worklessness amongst long-term NEETs. Talent Match seeks to work with those that sit outside the Ambition project in order to supply the support necessary to bring them closer to employment.

Talent Match works across the SCR in a federated manner whereby although led by Sheffield Futures its engagement in local communities is shaped by a partnership with local third sector providers. This allows such providers to tailor delivery to the needs of each area and allows them to address issues of relating to a more urban northern and rural south population distribution. Therefore, Bassetlaw, Bolsover, Chesterfield and NE Derbyshire collaboratively work together with regards to delivery and Barnsley, Sheffield, Rotherham and Doncaster each act individually within the programme. The strengths to the project and its successes have been: the ability to develop strong leadership alongside partnership working; high level of referrals (via partner agencies and ‘walk-in’); strong levels of entry to apprenticeships and other employment; a high impact of residential/challenge activities in employability-led Enterprise provision; ability to create a person centred service and budgets; to create flexibility within a framework, with ‘unique’ features.

In undertaking this, as a third sector provider through the Big Lottery Fund, Talent Match/ Sheffield Futures has shown the ability to work with Young People successfully in a complicated skills and employment setting. This has created a number of challenges to the projects running but these are not necessarily unique to Third Sector organisations working in this area. Challenges have been:
• Data/information discrepancies between systems (SF central internal database, CDF, local partner records) including establishing and implementing definitions of outcomes and simplifying financial claim procedures to aid utilisation of YP-facing funding;
• Strategic Group membership and engagement;
• Establishing consistent, effective, quality delivery models/structures across all partners appropriately tailored to meet local need;
• Effective communication and performance management across a wide region with a complex delivery structure and multi-levelled contracts;
• Gathering and collating Young Peoples Involvement activity including input into strategic level groups.

Skills Support Programmes

The European Union Social Fund (ESF) has co-funded with the Skills Funding Agency (SFA) a significant number of programmes (between 2012-2015) targeted at disadvantaged groups in the labour market. Given the context of BREXIT and the skills funding cuts, it is unlikely that these will be continued or replaced under the new devolution arrangements. A key finding from our mapping exercise is the importance of the Further Education Sector in delivering skills support programmes for disadvantaged groups.

The survey has identified a number of programmes that were implemented in the SCR summarised below (Table 5):

Skills support for redundancy
The purpose of this provision is to ensure that capacity is in place to respond to redundancies and the employment implications of local economic conditions for individuals who are:

• under consultation or notice of redundancy;
• have been notified by their employer that they are likely to be directly affected by downsizing or company closure locally;
• have recently been made unemployed.

Providers deliver tailored skills activities from the following list, along with embedded pre-employment support according to the needs of the individual: (1) production of a Training Needs Analysis and supporting Individual Learning Plan (2) training to update skills needed for a specific employment sector, including pre-employment training to provide skills to enter a different occupation or sector where required (3) training in preparation for self-employment (4) Skills for Life diagnostics (including ICT) and delivery of Basic Skills training as appropriate Individuals must be aged 19 or over.

Skills support for the unemployed
The support is focused on securing employment, and features assessment and guidance at the outset to identify the career goals of participants and individual training needs. This approach maximises the time and support available to
participants. Innovative engagement approaches and diverse methods of working are central for offering person-centred solutions to support people into employment. The Skills Support for the Unemployed Programme is geared towards assisting and supporting individuals in to sustainable employment by offering targeted vocational training courses, Sector Based Work Academies, Work Trials and Employment Opportunities.

**Skills support for the workforce**

Skills Support for the Workforce (SSW) has been designed to meet the local skills needs identified by the Local Enterprise Partnership. Emphasis is placed on individuals progressing to higher levels of learning or to Apprenticeships. There is a responsive element within the contract, to enable providers to adapt provision to meet emerging skills needs, as identified by the Local Enterprise Partnership. SSW supports employed individuals who work in small to medium sized enterprises (SMEs) and micro sized organisations.

**Skills support for NEETS**

These contracts will support young people who are aged between 14 and 19, and either not in education, employment or training (NEET) or at risk of becoming NEET. These young people will likely be those who face multiple barriers to their participation and need a different type of offer of 14-19 provision to engage them in learning and keep them engaged. Successful organisations will engage with young people and meet their needs by providing individually tailored solutions locally, leading to the onward progression of the individual into education or employment with training. This will lead to an increase in participation in education and training and reduction in the number of young people who are at risk of being NEET or are already NEET.

<table>
<thead>
<tr>
<th>Name of scheme</th>
<th>Description of scheme</th>
<th>Provider</th>
<th>Target groups/area</th>
<th>Approx. value of contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills Support for Redundancy</td>
<td>Respond to redundancies supporting newly unemployed individuals involving training needs analysis, careers advice, links to employers</td>
<td>Barnsley College</td>
<td>Newly unemployed people in <strong>South Yorkshire</strong></td>
<td>£1.7 million</td>
</tr>
<tr>
<td>Skills Support for Unemployed</td>
<td>Training and skills support for unemployed over 19 years</td>
<td>Barnsley College, Dearne Valley College</td>
<td>Unemployed people in SCR <strong>South Yorkshire</strong></td>
<td>£9 million plus</td>
</tr>
<tr>
<td>Skills Support for the workforce</td>
<td>Designed to meet local skills</td>
<td>Chesterfield College</td>
<td>Workers in SMEs with low skills and assist in</td>
<td>£9 million plus</td>
</tr>
</tbody>
</table>
Workforce need of SMEs below 250 employees.
progressing to apprenticeships South Yorkshire/Derbyshire

Skills Support for Work Programme Participants in Employment
Individual skills support for people entering employment from the Work Programme.
Chesterfield College (East Midlands)
Medex Group /Learn Direct South Yorkshire
Newly employed adults aged 19 years and above
South Yorkshire and North Derbyshire
£1,000,000 (East Midlands)
£1,800,000 (South Yorkshire)

Support young people who are aged between 14 and 19, and either not in education, employment or training (NEET) or at risk of becoming NEET.
Humber Learning Consortium
14-19 year olds
South Yorkshire
£2,499,590

Source: Interviews SFA web site

Local Authority Employment and Skills Policies

Local authorities play an important role in planning and coordinating employment and skills policies and programmes. There is a rich diversity of approaches within the SCR although for this study; three local authorities Sheffield, Barnsley and North East Derbyshire are selected as case studies on the basis of representing different size, economic characteristics and geographies within the SCR.

Sheffield City Council
An Employment Strategy was formulated in 2012 to cover the period of 2012-2015 which focused on the problems of unemployment and worklessness. As the report states: “The scale of the skills challenge in the welfare to work is substantial; not only do newly unemployed people need support in keeping their skills relevant and work ready; those who have been unemployed for significant periods of time may need their skills bringing up to date or retraining. Furthermore, a large amount of workless people need up-skilling for the first time, some with very low or no qualifications (60% of benefit claimants have no formal qualifications)”. The strategy involves an approach that reflects the ‘customer journey’ through the welfare to work system (Table 6):

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20 Sheffield City Council (2012) Sheffield Employment Strategy (Sheffield City Council: Sheffield).
Table 6. Sheffield CC Employment Model

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Working with Jobcentre Plus and Third Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole Person Approach</td>
<td>Providing tailored support to meet individual needs</td>
</tr>
<tr>
<td>Employer Involvement</td>
<td>Working with employers to identify training needs via a sector based approach</td>
</tr>
<tr>
<td>In-Work Support</td>
<td>For both employers and those recruited into employment to prevent the ‘revolving door’ of moving in and out of work. Job Broker role important</td>
</tr>
</tbody>
</table>

Sheffield’s Economic Strategy (2014) has highlighted the importance of developing an ‘inclusive economy’, proposing the following actions which directly relate to and build on the Employment Strategy:  

- Improving employer involvement in developing initiatives to tackle worklessness and to dispel myths about recruiting people who are not in work;
- Harnessing economic development and business growth initiatives, connecting people to opportunities that arise from major developments, inward investments and large scale public sector contracts;
- Removing and managing health barriers to work, tackling the main health conditions which are causing worklessness and sickness in Sheffield and preventing newly unemployed people becoming long term unemployed due to developing health conditions;
- Providing skills for work and progression through an integrated approach to employment and skills and tackling the low skills levels of many benefits claimants;
- Supporting vulnerable groups and workless families, improving their work opportunities and life chances and tackling labour market disadvantage;
- Increasing work and progression opportunities for young people, through creating more apprenticeship, training, work experience and job opportunities.

North East Derbyshire District Council

North East Derbyshire has developed an employment and skills strategy which also involves Chesterfield and Bolsover Councils around the theme “encouraging business growth, improving skills and reducing worklessness … supporting strategic objectives of priorities of ‘Create jobs, build skills and attract investment’ and ‘Improve people’s health’. An important initiative in terms of developing employment and skills policy is the formation of the North East Derbyshire Strategic Employment Partnership comprising the local authorities Jobcentre Plus, and

Chesterfield College. The employment and skills policies focus on a number of initiatives including:

- Strategic business development and SME growth focusing on the key sectors including NEDDC has the option of either applying Section 106 powers to bring employment, training and skills benefits to a development site or including an employment condition as part of the planning approval;
- Reducing worklessness and raising skill levels by promoting apprenticeships and supporting people who not in work via its Working Communities Programme which provides free one to one support for unemployed residents of to help them find suitable employment plus advice on how a job will affect benefits, help with tax credits, training needs for a job and travel costs and financial support to cover travel costs, childcare costs and other expenses associated with gaining employment.

Barnsley Council
The Employment and Skills Strategy has been formulated from an analysis that summarises the Barnsley economy: “The labour market situation in Barnsley is complex and changing. Whilst on first glance there is a higher than average employment rate; this masks significant and longstanding challenges around educational attainment, entrenched worklessness and the quality and progression associated with jobs. There is also a challenge around earnings; without-commuting to higher skilled jobs boosting resident earnings”.

The strategy focuses on the need to create “more and better jobs” identifying three themes associated with employment and skills:

Table 7. Barnsley Employment and Skills Strategy Key Principles

<table>
<thead>
<tr>
<th>More Jobs, Better Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley needs more jobs and for as many of those as possible to be ‘good jobs’ that support productive businesses and offer people:</td>
</tr>
<tr>
<td>- A decent income, fair terms and recognition of effort;</td>
</tr>
<tr>
<td>- Progression opportunities and the chance to learn and develop;</td>
</tr>
<tr>
<td>- Job satisfaction and a good, safe and healthy working environment;</td>
</tr>
<tr>
<td>- Appropriate security, flexibility and opportunity to contribute.</td>
</tr>
</tbody>
</table>

The customer journey

1. Getting ready for work:
   - Core education offer
   - Strong post-16 Further Education (FE) offer
   - Some excellence in schools and FE on employability / enterprise and business links
   - I Know I Can / Enterprising Barnsley presence

2. Getting into work:
   - Provision on transferable Level 2 skills: English/Maths/ICT

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Focus on young people and most disadvantaged adults to stop long term unemployment
- SCR and national activity e.g. Work Programme
- Traineeship / apprenticeship programmes

3 *Getting on in work*:
- Potential to meet business skills needs through SCR Skills Bank
- Existing business training and some champions of in-work skill development/progression

**Summary and Key Issues**

**Lack of integration of initiatives**

*the only way you could make the work programme work financially and certainly in the future, I think, is if you can link it to the skills agenda* (Work Programme Provider, Interview 2016).

The Work Programme seems to have been ‘parachuted’ into the regions with relatively little consideration in terms of how provision is coordinated with local services. The research found that some links have been made but overall the WP has not featured as an integral part of CR employment and skills policy. Nor are local authorities and agencies fully aware of what the providers actually do in localities. This finding concurs with other analysis of the WP.25 There is also a lack of transparency in terms of data that is made publicly available making it difficult to ascertain the volume of skills provision being made available to Work Programme participants’.26 This is due to:

- the lack of publicly funded research into Work Programme provision; and
- the lack of detailed descriptions of provision from Work Programme Prime and Sub-Prime Providers themselves.

There is no published data on the volume of referrals made to these learning providers, their geographic coverage or the diversity of the skills provision they offer to Work Programme participants. Learning providers delivering skills provision for unemployed adults, provision for Work Programme participants appears patchy and often transient.27 Collectively, there is complex and confusing picture of a multi-layered, fragmented array of bodies with overlapping responsibilities and strategies, multiple and complex networks, relationships and partnerships. Geography complicates this further.

In addition to concerns about the Work Programme, it is clear that patchwork of initiatives and funding regimes gives rise to problems in their coordination. Furthermore, many aspects of the employment and skills system are centrally driven and this a key problem in terms of designing a system that can target disadvantaged groups. This also raises questions regarding the actual influence of local actors and partnerships in the design and delivery of employment and skills provision. As Ewart Keep states “there yet not been any sign of the development of formalised consultative mechanisms that might allow localities to make greater input into the formulation of E&T policy. To date, what is being devolved is the supervision and delivery of a relatively narrow sub-set of E&T activity (post-19 adult skills) rather than any influence over the overall nature and direction of travel of E&T policy. That remains firmly located at national level.”

Geographical boundary definitions remain unclear

.... so spatially, going back to my earlier statement, it's quite messy, or complex, either of those (Local Authority Stakeholder, Interview 2015).

I think that, you know, for example, when we have an area based review with the general FE provision and clearly we're part of the Sheffield city region, but our college also needs to look at the kind of West Yorkshire bit as well, so you know, we've actually been able to access additional support, additional funding and from a strategic point of view, been able to link into two city regions, which has been helpful (Local Authority Stakeholder, Interview 2016).

According to some stakeholders, the city region as an economic entity faces challenges primarily due to overlapping boundaries—three local authorities are in two city regions and the Derbyshire local authorities are also involved with employment and skills initiatives developed by Derbyshire Employment and Skills Board (see Figure 1). Furthermore the lack of boundary alignment between the WP CAPs and City Region/local authority boundaries underlines an inherent problem with coordinating CR and LA employment initiatives with the WP providers an issue also raised in an OECD assessment of UK active labour market policies (see below)29. The proliferation of strategies at different geographical levels tends to reinforce the lack of effective coordination of employment and skills, which has been identified as a key issue by stakeholders, and impacts further on the processes of transparency and accountabilities.

Challenges for third sector delivery of employment and skills

Talent Match, Sheffield Future and their partners highlight the potential of the Third Sector to deliver with regards to skills training and in many respects redress the difficulties faced by state based approaches which are tied to a specific political and institutional geography. In the context of SCR developments, such federated approaches engaging in partnership work, example how differentiated local needs can be addressed. The City Region initiatives represent important steps towards implementing a devolved employment skills system. However, as Table 3 illustrates

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the challenge is developing a more joined up system which can meet the challenges of difficult labour market conditions.

4. POLICIES CAN RESTRICT ACCESS TO EMPLOYMENT AND SKILLS

The implementation of welfare, employment and skills policies creates barriers for disadvantaged groups to access the employment and skills system. These can be summarised as:

- Austerity driven cuts in funding have adversely impacted on the employment and skills system and undermine City Region growth;
- Harsh system of welfare conditionality is reinforcing inequalities and leading to increased poverty;
- Work first approaches have limited impact on addressing employment needs of disadvantaged groups;
- Challenges for disadvantaged groups in accessing apprenticeships and sustainable employment.

Austerity driven cuts impact disproportionately on disadvantaged groups and areas

The most important finding from this study is the financial implications of devolution. Although the devolution settlement for the SCR involves major Government funding this is more than offset by Austerity cuts and welfare changes. A key issue is the extent to which cuts in local authority and welfare funding significantly undermine city region growth objectives.

Money in—what does it mean for disadvantaged groups?
The National Audit Office reports that over the five-year period 2010/11 to 2014/15 the government will have spent £6.2 billion on local growth programmes, including that spent via RDAs and their legacy, and spend on new funds and structures. By comparison the RDAs spent £11.2 billion over the preceding five-year period 2005/06 to 2009/10\(^\text{30}\). The £900 million investment is to be stretched over a 30 year period.

Money out—Austerity, local government and welfare cuts
Between 2010-2014, the estimated expenditure reduction for the nine SCR local authorities amounted to £442.4m and the loss of income as a result of welfare changes among resident population in 2015 alone amounted to approximately £577m. This collectively is £1.19b, which needs to be compared to the Sheffield devolution promise of £900m over 30 years. The detrimental impact of austerity and public services reforms on the employment, skills, and welfare ecosystem are being flagged by stakeholders:

\(^{30}\) NAO (2013) Funding and Structures of Local Economic Growth (NAO: London)
Childcare, housing, transport, broader health determinates, I mean, it’s that package, isn’t it, which can be huge inhibitors to people either to continue on through the skills continuum or move nearer towards kind of economic activity, isn’t it? (Local authority Stakeholder, Interview 2016).

Devolution deals represent bringing powers to local partners but also can “represent the transfer of responsibility for implementing centrally mandated austerity”. In their study of the impact of austerity measures and cuts in local government Hastings et al (2015) state that local authorities are important providers of services for poor people and disadvantaged groups who are disproportionately adversely impacted by expenditure reductions. For example they state:

Many of the cuts in front-line services have been relatively modest to date, yet even these can have a substantial impact on the lives of poorer households. Poorer households are more reliant on a range of public services and so feel the cumulative impacts of multiple small cuts. Small increases in charges or in travel times or costs can represent an absolute barrier to access for those on low incomes. An increasing proportion of households report finding services inadequate or unaffordable.31

According to Centre For Local Economic Strategies (CLES) “Department of Community and Local Government’s cuts across both communities and local government represent nearly two fifths of all real terms departmental cuts, highlighting the disproportionate share that local authorities across the country have to bear. The Government will have reduced its funding to local authorities by an estimated 37% by 2015-16. A significant funding gap is emerging within local government as a result of this. Analysis by the Local Government Association (LGA) has shown that the funding gap for councils between March 2014 and the end of 2015/16 will be £5.8 billion”32

As Table 8 shows SCR local authorities have experienced significant cuts in their funding.

Table 8. Income Changes (£m) Due to Local Authority Spending Cuts for the Sheffield City Region (2015)

<table>
<thead>
<tr>
<th></th>
<th>Total spending 2010 (£million)</th>
<th>Total spending 2014 (£million)</th>
<th>Reductions 2010-2014 (£million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>196</td>
<td>167</td>
<td>29</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>20.8</td>
<td>12</td>
<td>8.8</td>
</tr>
<tr>
<td>Bolsover</td>
<td>13.3</td>
<td>10.3</td>
<td>3</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>21.7</td>
<td>13.5</td>
<td>8.2</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>11.8</td>
<td>7.7</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Stakeholders have specifically underlined how local authority cuts are undermining and hindering the effectiveness of welfare to work and skills programmes.

*the impact has been phenomenal across the board, whether you look at the welfare benefit side, you know, it’s taken a big hit, the social care side has had another big hit…Social Services has taken a hit, so it’s all, you know, the vulnerable groups which you talk about on a day to day basis, they’re all the groups, we’re having to go to them and say, sorry, we’re going to have to make more cuts even further and it’s an awful position for any authority to be in* (Local Authority, Interview 2016).

Those services, which are crucial to assisting disadvantaged groups into employment, which are delivered or coordinated by local authorities, are being cut back. This includes social and health, funding for the voluntary and community sector and advice services, which play a crucial role in supporting or connecting people into employability programmes. Local authorities are also playing an important function in terms of coordinating employment and skills policies and funding cuts will affect their capacity to undertake this. A key issue raised and critical for lone parents and women as carers is the availability of affordable easily accessible child-care.

**The Welfare reforms have impacted most on the more deprived local authorities**

In addition to cuts in local authority funding, the welfare reforms and benefit changes have major implications for incomes of disadvantaged groups in the SCR. Beatty has provided up dated statistics on how the changes have impacted on different L.A. districts in the SCR, which are included in Table 9a and more detailed breakdown in 9b. In their report on the impact of welfare changes on local authorities, Beatty and Fothergill\(^3\) demonstrate that the greatest loss in the income of working age adults occurred in the more deprived local authorities. For example two local authority districts within the SCR, Bolsover and Barnsley are in the top 50 Districts in the UK worst affected by the reforms. In their study of old coalfield areas Foden, Fothergill,

and Gore explain some of the key reasons why older industrial areas have been most affected:

Substantial elements of the welfare reform package focus on reducing eligibility for incapacity and disability benefits, so it is hardly surprising that the coalfields are hit especially hard. It should also be kept in mind that the reforms to incapacity and disability benefits are among the last to come to full fruition, so by 2014 much of the impact is still to be felt.\textsuperscript{34}

Table 9a. Estimated loss of income due to welfare reforms in SCR

<table>
<thead>
<tr>
<th>County</th>
<th>1% uprating loss per working age adult £</th>
<th>Estimated total loss £m per year</th>
<th>Loss per working age adult £ per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnsley</td>
<td>85</td>
<td>87</td>
<td>585</td>
</tr>
<tr>
<td>Doncaster</td>
<td>84</td>
<td>105</td>
<td>540</td>
</tr>
<tr>
<td>Rotherham</td>
<td>80</td>
<td>87</td>
<td>533</td>
</tr>
<tr>
<td>Sheffield</td>
<td>68</td>
<td>143</td>
<td>444</td>
</tr>
<tr>
<td>Bolsover</td>
<td>79</td>
<td>28</td>
<td>568</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>75</td>
<td>35</td>
<td>530</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>45</td>
<td>14</td>
<td>315</td>
</tr>
<tr>
<td>N.E Derbyshire</td>
<td>58</td>
<td>26</td>
<td>423</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>70</td>
<td>35</td>
<td>488</td>
</tr>
</tbody>
</table>

Source: Beatty (2015)

Table 9b. Estimated annual loss of income in relation to welfare and benefit changes

<table>
<thead>
<tr>
<th>Est financial loss £m</th>
<th>Barn</th>
<th>Donc</th>
<th>Roth</th>
<th>Sheff</th>
<th>Bols</th>
<th>Chest</th>
<th>DerbyD</th>
<th>NEDDC</th>
<th>Bass</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedroom Tax</td>
<td>2.3</td>
<td>2.7</td>
<td>2.7</td>
<td>4.6</td>
<td>0.5</td>
<td>0.7</td>
<td>0.2</td>
<td>0.7</td>
<td>0.7</td>
<td>15.1</td>
</tr>
<tr>
<td>Household Benefit cap</td>
<td>0.2</td>
<td>0.4</td>
<td>0.3</td>
<td>0.7</td>
<td>0.1</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Council tax benefit</td>
<td>1.9</td>
<td>0.2</td>
<td>1.1</td>
<td>6.6</td>
<td>0.3</td>
<td>0.6</td>
<td>0.2</td>
<td>0.3</td>
<td>0.4</td>
<td>11.4</td>
</tr>
<tr>
<td>Non dependent reductions</td>
<td>0.9</td>
<td>1.2</td>
<td>1.0</td>
<td>2.1</td>
<td>0.3</td>
<td>0.4</td>
<td>0.2</td>
<td>0.3</td>
<td>0.4</td>
<td>6.8</td>
</tr>
<tr>
<td>Child benefit</td>
<td>11.5</td>
<td>14.3</td>
<td>12.3</td>
<td>23.9</td>
<td>3.7</td>
<td>4.9</td>
<td>3.0</td>
<td>4.4</td>
<td>5.3</td>
<td>83.3</td>
</tr>
<tr>
<td>Tax credits</td>
<td>19.6</td>
<td>26.2</td>
<td>21.2</td>
<td>40.8</td>
<td>6.2</td>
<td>7.8</td>
<td>3.6</td>
<td>6.2</td>
<td>8.4</td>
<td>140.9</td>
</tr>
<tr>
<td>Local housing allowance reforms</td>
<td>4.4</td>
<td>8.3</td>
<td>4.7</td>
<td>7.7</td>
<td>1.8</td>
<td>2.1</td>
<td>0.6</td>
<td>0.9</td>
<td>2.1</td>
<td>32.6</td>
</tr>
<tr>
<td>Disability Living Allowance</td>
<td>16.6</td>
<td>18.5</td>
<td>16.2</td>
<td>27.3</td>
<td>5.7</td>
<td>7.4</td>
<td>2.3</td>
<td>5.4</td>
<td>6.4</td>
<td>105.7</td>
</tr>
<tr>
<td>Incapacity benefit</td>
<td>16.6</td>
<td>16.6</td>
<td>14.2</td>
<td>24.0</td>
<td>5.1</td>
<td>6.1</td>
<td>1.6</td>
<td>4.3</td>
<td>6.2</td>
<td>94.7</td>
</tr>
<tr>
<td>1%</td>
<td>12.6</td>
<td>16.4</td>
<td>13.1</td>
<td>24.9</td>
<td>3.8</td>
<td>5.0</td>
<td>1.9</td>
<td>3.6</td>
<td>5.0</td>
<td>86.3</td>
</tr>
</tbody>
</table>

\textsuperscript{34} Foden M Fothergill S and Gore T (2014) \textit{The State of the Coalfields: Economic and Social Conditions in the former mining communities of England, Scotland and Wales}, Sheffield: Sheffield Hallam University, p25
Changes to Benefit System Impact Disproportionately on Disadvantaged Groups

And on top of that, you’ve got, you know, a massive rise in foodbanks for the most vulnerable, you’ve got money lenders charging exorbitant monies, I think a lot of employers now are employing zero hours contracts, so it’s like casual labour right across the cities (Trade Union Officer, Interview 2016).

As Sheffield Fairness Commission reported previously, there have been over forty changes to the welfare system between 2011 and 2013, leading to an overall reduction of incomes for individuals and households relying on benefits.35

We are definitely seeing a large number of people suffering and turning to loan sharks and foodbanks as a result of welfare and benefit changes (Advice Centre, Interview 2016).

Similarly both Doncaster36 and Barnsley have highlighted the adverse impacts of benefit changes on incomes. For example, Barnsley Council have stated that nationally “the projected impact of the Welfare Reforms is set to repeatedly fall upon the most vulnerable in our communities, those with disabilities, lone parents, families with children who, like most of Barnsley’s residents are already feeling the impact of the recession and austerity measures on their standard of living with increasing food and fuel costs”.37

Table 10 shows the financial impacts of reforms on household types with reference to Sheffield—“The significant observation from this table is that, on average, households with dependent children are hit particularly hard by the reforms. This is especially true of lone parent households with dependent children who on average can expect to lose £2,000 a year when all the reforms have come to fruition. - Adding together couples, lone parents and others with dependent children, Sheffield has a total of nearly 64,000 households with dependent children. These households account for around 28 per cent of all households in the city.”38

However, financial loss is not just concentrated on out of work benefits. Beatty and Fothergill highlight that welfare changes adversely impact on households with people in work- “It is a popular misconception that the reforms to welfare benefits impact only on those who are out-of-work. The changes are extensive, and some impact more on in-work households”:

• Around £75m a year of the financial loss arising from welfare reform might be expected to fall on in-work households;

• The financial loss to in-work households would therefore account for around 45 per cent of the total financial loss to Sheffield arising from welfare reform (p24).

Table 10. Financial change by household type in Sheffield

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Total number of households of each type in 2011</th>
<th>Average financial loss £p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensioner couple</td>
<td>18,000</td>
<td>35</td>
</tr>
<tr>
<td>Single pensioner</td>
<td>29,000</td>
<td>50</td>
</tr>
<tr>
<td>Couple – no children</td>
<td>39,300</td>
<td>400</td>
</tr>
<tr>
<td>Couple – one dependent child</td>
<td>16,900</td>
<td>1530</td>
</tr>
<tr>
<td>Couple – two or more dependent children</td>
<td>24,800</td>
<td>1560</td>
</tr>
<tr>
<td>Couple – all children non-dependent</td>
<td>12,600</td>
<td>440</td>
</tr>
<tr>
<td>Lone parent – one dependent child</td>
<td>9,900</td>
<td>2020</td>
</tr>
<tr>
<td>Lone parent – two or more dependent children</td>
<td>6,900</td>
<td>2120</td>
</tr>
<tr>
<td>Lone parent – all children non-dependent</td>
<td>7,200</td>
<td>730</td>
</tr>
<tr>
<td>Single person household</td>
<td>44,400</td>
<td>620</td>
</tr>
<tr>
<td>Other – with one dependent child</td>
<td>2,500</td>
<td>1540</td>
</tr>
<tr>
<td>Other – with two or more dependent children</td>
<td>2,800</td>
<td>1620</td>
</tr>
<tr>
<td>Other – all full-time students</td>
<td>5,700</td>
<td>0</td>
</tr>
<tr>
<td>Other – all aged 65+</td>
<td>500</td>
<td>35</td>
</tr>
<tr>
<td>Other</td>
<td>9,500</td>
<td>570</td>
</tr>
</tbody>
</table>

Source: Beatty and Fothergill (2013: 25)

Impact of benefit sanctions in Sheffield City Region

A number of stakeholders have raised concerns about how the welfare changes and in particular increase in use of benefit sanctions and their adverse impact on claimants in terms of increasing levels of impoverishment.

The circumstances of people coming through our doors are far worse than those of the 1980’s. Reliance on Foodbanks, Benefit Sanctions on a massive
scale, sick or disabled workers, without a hope of being employed, found ‘fit for work’ are some of the issues that our team of advisers have dealt with this year. Policies which are supposed to be about helping people to move closer to the labour market are in many cases damaging to health, self-defeating and at their very worst, causing deaths and contributing to suicides.\textsuperscript{39}

Between 2012 and 2015, approximately 70,000 JSA sanctions have been implemented within the SCR\textsuperscript{40}. There have been three studies of the impact of sanctions within the SCR: in Rotherham MBC,\textsuperscript{41} Sheffield CAB,\textsuperscript{42} and Derbyshire\textsuperscript{43} have undertook their own assessment of sanctions and found that claimants in many cases were being unfairly sanctioned (the evidence of many of our clients indicates that the punishment [i.e. the sanction and its knock-on consequence] is often out of proportion to the “offence”) and with some evidence that targets were operated within Jobcentres. Research produced by the Methodist Church based on Freedom of Information requests shows that people with mental health problems, are disproportionately and increasingly being sanctioned.\textsuperscript{44}

The impact of sanctions combined with benefit cuts is creating financial hardships for vulnerable groups. For example “there are gaps in support available for the most vulnerable of claimants and that normal communication processes are failing some of them.” There is evidence that the increase in food poverty and personal debt is creating an increasing use of Food Banks.\textsuperscript{45}

There is a view that when people are sanctioned they can access a hardship payment. Hardship payments are paid at the rate of 60% of normal benefit except for arbitrarily defined ‘vulnerable’ claimants, who get 80%. Research undertaken by David Webster reveals that many people who are sanctioned do not receive a hardship payment: “JSA hardship awards were running at less than 10% of sanctions. But they then rose steeply, to 30% by February 2013, and they have since risen further, to over 40%. If you get a hardship payment, it means that you have been completely cleaned out of resources, and exhausted all possibility of help from family and friends; the payment itself is then well below the already inadequate level of normal benefit, and under the post-October 2012 regime it will usually have to be lived on for weeks and frequently for months. The figures, therefore, show that the sanctions regime is creating destitution on a massive scale”.\textsuperscript{46}

\textsuperscript{39} Derbyshire Unemployment Workers Centre (2015) \textit{Annual Report 2015} http://www.duwc.org.uk/
\textsuperscript{40} https://www.gov.uk/government/collections/jobseekers-allowance-sanctions
\textsuperscript{44} Sheffield City Council (2015) \textit{Tackling Poverty: Needs Assessment} (Sheffield City Council: Sheffield) p20.
\textsuperscript{45} Involve Yorkshire Humberside (2014) \textit{Rapid Review Foodbanks in Sheffield} (Sheffield City Council: Sheffield).
Although the impact of sanctions on poverty has been at the forefront of reports analysis and stakeholder responses, a lesser-known and publicised aspect of the welfare regime is the displacement on to social, health advice and other services. In their submission of evidence to the Work and Pensions Select Committee the Citizens Advice Bureaux (CAB) report a year-on-year increase in advice queries in relation to sanctions—with an increase of 35% in relation to JSA sanctions and for ESA an 80% increase (July 2012-June 2013)\textsuperscript{47}. This largely coincides with the changes to the sanctions system from late 2012. They also suggest that many people who do not have access to advice services are in danger of becoming more marginalised.

There is also evidence that sanctions is inducing claimants to exit the employment and skills system altogether.

\textit{Although this is anecdotal I know of one case when one of our clients stormed out of the Jobcentre stating that he couldn't face claiming benefit he would rather manage without (Advice Centre, Interview 2015).}

\textit{We know that there are people who leave the Work Programme and do not find work and we lose contact with them (Work Programme Provider, Interview 2016).}

According to one study the “best estimates suggest around 20% of those leaving benefit following a sanction report finding work; but the fate of the remaining 80% is anybody’s guess”.\textsuperscript{48} A recent econometric study by Oxford University found that sanctions in the period, from April 2005 to March 2014, “we observed that each 100 sanction referrals were associated with a cumulative reduction in claimant rates of 15.4 persons within two months of the referrals”\textsuperscript{49}. This detachment from the employment and skills system must be a cause for concern and raises issues regarding how these people can be ‘connected’ or ‘reconnected’ in order that they can benefit from existing employment and skills policies.

\section*{Funding Cuts to Employment and Skills Can Undermine Growth Objectives}

In reality the Government’s spending in connection with its devolution (Northern Powerhouse) programme is considerably less than expenditures on growth and infrastructure under the Regional Development Agency (RDA) programme. The National Audit Office reports that over the five-year period 2010/11 to 2014/15 the government will have spent £6.2 billion on local growth programmes, including that spent via RDAs and their legacy, and spend on new funds and structures. By

\textsuperscript{47} https://blogs.citizensadvice.org.uk/blog/giving-evidence-to-the-work-and-pensions-select-committee/
http://www.sociology.ox.ac.uk/materials/papers/sanction120115-2.pdf
comparison the RDAs spent £11.2 billion over the preceding five-year period 2005/06 to 2009/10.\(^5\)

Funding cuts have had an impact upon the employment and skills infrastructure and our assessment is to a degree speculative because of the lack of accurate information at the SCR level. According to one source:

> those aged 19 to 23 who have their first level three qualification will no longer be able to access additional skills funding from what we call grant funding, but actually they'll access it through a loan, so it removes those people from being eligible to access adult skills funding in the traditional way, so that means actually whilst you've got a funding reduction, actually you're reducing the number of eligible people that can access grant funded adult skills, so actually whilst the pot gets smaller, the cohort eligible gets smaller as well (Skills Funding Agency interview 2016).

In order to frame the assessment, it would be useful to draw on the recent analysis made by Keep from Oxford University in his commissioned analysis of skills funding for the Association of Colleges (AoC). Keep highlights three aspects. First, Adult Skills budget cuts have been ongoing for a number of years. The ending of the ESF/SFA Skills Support Programme (2015) involves a significant reduction in funding employment and skills for disadvantaged groups.

> I mean, funding gaps, the biggest one that hit us all was the gap with ESF ending in June and that provided targeted support to young people, you know, NEETs and young unemployed people. There was the sector based work academies and all so that's left a big gap with providers having less flexibility and funding to be able to support some of that activity (Training Provider, Interview 2016).

> The feeling is that there's less provision at the moment for those harder-to-reach, especially for people with complex and multiple barriers. So CV writing, employability skills isn't going to be enough for those people because actually they are not ready for that, they've got bigger issues (Local Authority, Interview 2015).

The Colleges in the SCR were heavily involved with the delivery of ESF Programmes (see Table 7) and their ending has had an impact on funding to develop programmes for disadvantaged groups:

> With the cessation of ESF funding streams (such as Skills Support for Unemployed) the College’s employability provision is now wholly reliant on ASB funding. Cuts to this funding have put employability training in direct competition with other provision (FE College, Interview 2016).

Another College expressed a similar view:

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The problem is how we are going to deliver the type of provision and at a high standard with the current cuts in the Adult Skills Budgets. The FE sector seems to have taken the brunt of the cuts which seems to undermine any intentions of giving priorities to those groups who tend to access our courses; namely unemployed people and the like (FE College, Interview 2016).

Second, employer investment in skills has declined—particularly since 2010 and there has been a fall in the average number of hours of training per worker. Although there is no exact estimate of the skills funding gap in the SCR, skills surveys provide some insights into employer demand for skill funding. Employer investment in training is an important component of the quality of work equation. Businesses have reported, that they would be able to commit more financial resources to training if trading conditions were more stable or there was more certainty over the economy, and they would be more likely to use external training providers if there was greater public subsidy (42%) or lower course fees (34%), or if training was more tailored to their business needs (38%). Providers in SCR were less likely to report being unable to meet demand, and over two-thirds of the providers in the SCR would have liked to be able to offer new or different provision, but feel they are unable to do so, mainly because of uncertainties over funding and/or the need for capital investment.\(^{51}\)

Third, individual investment in skills and training is constrained by significant falls in incomes and wages accompanied by cost of living rises (see below on benefit conditionality).\(^{52}\)

An additional factor in the skills funding equation is that the length of the programmes tends to be fixed and is viewed as not long enough to make a real impact:

\[
\text{I think the sort of challenges around delivering skills mainly comes from the fact that quite often pots of money have only got quite a short shelf life, so you no sooner get an initiative up and running than the funding has come to an end and then it stops (Training provider, Interview 2015).}
\]

Collectively, the future looks somewhat bleak. According to one source:

\[
The short version is that central government intends to ensure that the ASB [Adult Skills Budget] is all the power that LEPs and CAs get, that schools, apprenticeships and policy generally remains a totally national thing, and that the ASB is devolved with so many strings and central controls attached that localities simply deliver what Whitehall has determined should be delivered, i.e. nothing that matters changes ... I think this will lead to grumpiness among LEPs and CAs, but given the current political and economic turmoil, I suspect no one important will give much of a toss ... I suspect that for the next few years there won't be that much out on the ground to actually look at (Skills Funding Agency interview 2016).
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Universal Credit and ‘Making Work Pay’: Increasing incidence of low-Pay and in-work Poverty

A key element of Universal Credit (UC) involves in-work conditionality with the requirement for claimants to attain an ‘earning threshold’ set at the level of effort it is reasonable for an individual to undertake. Working age adults will be subject to conditionality until they are working full time (35 hours) at National Minimum Wage. If someone is earning below the conditionality cut-off point they will be expected to ‘look for work, more work or better paid work’. Exceptions to this are those with caring responsibilities and those with health conditions. UC, although not fully rolled out in the city region, is a tough claimant regime and there is evidence that many vulnerable groups will find it difficult to negotiate and the element of making work pay will not benefiting all claimants.\(^{53}\)

The implementation of UC presents significant challenges for disadvantaged groups. It is a fact that work is not an automatic route out of poverty—the majority of people in poverty live in a household where there is someone in work.\(^{54}\) This underlines the close relationship between barriers to work for disadvantaged groups and the patterns and nature of jobs that are being created in the local labour market. There are significant proportions of people working within the SCR who are paid below the living wage (see Table 11 below).

A Resolution Foundation study has found that SCR has the highest proportion of people paid below the recommended living wage (24%)\(^{55}\) However, it is not only the rates of pay that are important but also the hours of work, As a result of the scale of (full time) manufacturing job losses, the SCR created fewer new full time jobs in the last growth period when compared to other leading city regions. This difference in the balance of full time to part time job creation is one of the key defining features of poorer performing city region/LEP areas. Employment change and vulnerability is markedly gendered, as generally the majority of those working in part time jobs are women. Although part time work can be a chosen option, there is evidence that a significant proportion of those in part time work wish to work full time (Source: Local authority interview).

### Table 11. Proportion (%) of Workers Paid Below the Living Wage by Parliamentary Constituency, Place of Work 2014 in SCR

<table>
<thead>
<tr>
<th>Constituency</th>
<th>All</th>
<th>Male</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>21.7</td>
<td>16.8</td>
<td>26.6</td>
</tr>
<tr>
<td>Barnsley East</td>
<td>35.6</td>
<td>n/a</td>
<td>44.0</td>
</tr>
<tr>
<td>Barnsley Central</td>
<td>27.1</td>
<td>n/a</td>
<td>34.3</td>
</tr>
</tbody>
</table>

CIIPD (2014) ibid.


The issue of poor working conditions in many workplaces has been raised in the Sheffield Fairness Commission Report, partly as a result of the growth of zero-hours contracts but also as raised by trade unions, a result of the decline in union membership and representation. As reported, many people in the welfare to work system are regularly signposted to zero-hours contracts, as in many cases this is the only type of job available. At the time of the study, the poor working practices and pay of workers at Sports Direct located in Shirebrook, Bolsover, was raised by local authorities and trade unions. According to the Guardian Newspaper the Company gained notoriety for its Victorian-like working conditions and oppressive management practices, an issue also raised by the Unite trade union and subject to a Government Business Innovation Skills (BIS) Select Committee Inquiry.

It is important to emphasise here that Sports Direct may be seen as an exception, and indeed zero-hours contracts are being used in all sectors including Higher Education and Local Government. This said, as demonstrated by numerous studies, there is link between low paid and poor quality work which has major impacts on how disadvantaged groups negotiate transition from unemployment to sustainable employment. Also, different groups have their own experience of low paid work – in particular women. The national pay gap in 2013 means that on average women will earn 19.7% less per hour than men. As women tend to work in more casualised (part time) employment then this can have adverse impacts on their access to training—including apprenticeships. The majority of heads of lone parent families are women and therefore policies specifically targeted at this group will disproportionately impact on women’s opportunity in the labour market.

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57 http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/business-innovation-and-skills-committee/working-practices-at-sports-direct/0
Work First Approaches Have Limited Impact on Disadvantaged Groups

There is evidence that the Work Programme is less successful in signposting ‘hard to reach’ groups into employment (particularly people on Employment Support Allowance (ESA). A consequence of this is ‘creaming’ and ‘parking’ with those experiencing long term health conditions and other barriers to employment and skills not given the services required as resources tend to be diverted to those who are easier to place into employment. The poor performance has been explained by the nature of the payment by results model (PBR) and there is a view that the requisite resources and support services are lacking in order to provide personalised support—an issue that has been raised in a number of studies and evaluations as well as by providers. One Work Programme provider described the model as a ‘blunt instrument’ when dealing with disadvantaged groups a point supported by an organization representing disabled people who highlighted the relative large numbers of ESA claimants who have been sanctioned.

There are also problems associated with the Work Capability Assessment (WCA) with evidence that many people are incorrectly assessed giving rise to a large cohort of JSA claimants who have health barriers.

I don’t know how they make their assessments and clearly, to my eyes, their assessments are often incorrect and putting people in a work related group .... I saw one lad who’s in the WRAG group who basically had been locked in a room for 20 years and was completely just sat in a corner, uncommunicative and shaking and was brought in by a person who’d rescued him and he was deemed fit for work, you know, which to me seems ludicrous but, you know, the work programme providers made it clear that we are not to have an opinion on whether somebody has been correctly or incorrectly assessed, that belongs to the assessors (Work Programme Provider, Interview 2016).

Once people have obtained qualifications there are no guarantees of progression in employment given the nature of pay, work organization, job design, casualization and increasing use of zero-hours contracts. Virtually all stakeholders held the view that labour market attachment is crucially important for people to access skills—especially disadvantaged groups. However, this depends upon job creation.

I mean, from a geographic point of view, the demand side in certain local labour markets is really challenging and it’s difficult to see how any configuration of the supply side focus model is going to resolve that (City Region Stakeholder, Interview 2016).


Difficult labour market conditions, particularly where there is a lack of sustainable jobs places, creates difficulties for providers signposting disadvantaged groups into work and training. Drawing from analysis undertaken by the Centre for Economic and Social Inclusion (CESI), Table 12 shows that job outcomes as a percentage of referrals for all groups are quite low.

Table 12. Work Programme Performance in Sheffield City Region Job Outcome Measures (%) (Jun 2011-Jun 2014 referrals) and Unemployment Rates (Jan 2011-Jun 2015) by local authority

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>2 year outcomes</th>
<th>Overall outcomes</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheffield</td>
<td>25</td>
<td>27</td>
<td>10</td>
</tr>
<tr>
<td>Rotherham</td>
<td>25</td>
<td>28</td>
<td>10</td>
</tr>
<tr>
<td>Barnsley</td>
<td>26</td>
<td>28</td>
<td>10</td>
</tr>
<tr>
<td>Doncaster</td>
<td>26</td>
<td>28</td>
<td>10</td>
</tr>
<tr>
<td>NE Derbyshire</td>
<td>27</td>
<td>32</td>
<td>6</td>
</tr>
<tr>
<td>Chesterfield</td>
<td>25</td>
<td>32</td>
<td>8</td>
</tr>
<tr>
<td>Bassetlaw</td>
<td>28</td>
<td>30</td>
<td>7</td>
</tr>
<tr>
<td>Bolsover</td>
<td>28</td>
<td>33</td>
<td>7</td>
</tr>
<tr>
<td>Derbyshire Dales</td>
<td>28</td>
<td>31</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: CESI (2015): Annex 1

Some of the challenges identified by respondents can be summarised as:

- The economy has been generally weaker than was forecast at the time that the Work Programme was commissioned;
- Lower referrals have reduced economies of scale, and the scope for specialist organisations to provide services;
- The eligibility for the Work Programme among ESA claimants was widened in order to increase the number of participants, which has led to more participants that are substantially further from work;
- There has been variation in provider performance, which may in part reflect a ‘vicious circle’ of lower performance leading to fewer payments for job outcomes, leading to lower funding and then still lower performance; and
- Finally, the targets themselves may have been set too high;  

An additional factor is the reduction in resources to support disadvantaged groups (health, social services, community support and advice), which are generally drawn upon by WP providers.

Findings from focus group of unemployed people

The focus group was conducted to obtain more detailed information and insight into how unemployed people and disadvantaged groups experience and negotiate the employment and skills system. The findings can be summarized as:

64 Held at Sheffield College, Granville Road, Sheffield, 25th February 2016.
**Table 13. Focus Group Findings**

*Employment and education history*

Most had experience of employment but this was often low paid and contingent work. Cycling between periods of short term training, employment (service sector, seasonal work, warehousing) and benefits seemed to be common and there was only one case in the group where this had been broken.

*Experience of the Jobcentre service and Work Programme services*

This was generally negative and three people in the group of ten had experience of sanctions. People felt that the system was designed to punish rather than support – some had mixed experiences of Personal Advisors although some considered that some Pas made an effort to provide support and help. Problem identified when moving to different PA’s.

*Barriers to work*

Most jobs were unsustainable in terms of pay and transport is an issue in terms of accessing employment (e.g. shift work).

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**Barriers of Access to Affordable Childcare**

A lack of affordable childcare is a major concern for low-income families with young children and lone parents. As women tend to be primary carers, this affects their employment opportunities. A recent report on the provision of childcare found:

> Despite this extra financial help to parents, childcare remains a major cost burden for families. Year on year, the price of childcare has increased above the rate of inflation – nursery costs have increased by 27 per cent since 2010 - while wage growth for parents has been largely stagnant during the same period.

Local authorities are obliged to undertake child-care assessments in their districts. It has not been possible to provide an assessment of gaps in the city region but the link between the shortfall in provision (including lack of affordability) is underlined for example in the Sheffield Assessment.

> Sheffield mirrors the national picture for households with children whereby younger children, larger families and lone parents are more at risk of poverty. Families with younger children often cut back on work or are less likely to take on higher paid work when children are young. This is compounded by increased costs such as paying for childcare. Larger families have increased

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costs and lone parents are often unable to work as many hours as couple families.\textsuperscript{66}

Whilst lone parents are the group at most at risk of labour market exclusion because of the lack of affordable provision, this also applies to parents in families with young children because of the financial costs of childcare. Furthermore the take up of childcare element of working tax credits could be higher—and along with other benefits people are not claiming the benefits they are entitled to in order to subsidize their childcare.

Apprenticeships and Disadvantaged Groups

The Government target of 3 million apprenticeships along with the Apprenticeship levy represents a potential significant increase in opportunities to access in work skills and training. SCR is at the forefront of an apprenticeship revolution and the University of Sheffield’s Advanced Manufacturing Research District high-tech collaboration between research and industry, focused on aerospace, automotive, medical tech and nuclear energy, is to be applauded. Joined-up strategies though are needed to realise this vision for all and empower disadvantaged groups. The number of apprenticeship starts and achievements has increased rapidly in the South Yorkshire area of the Sheffield City Region city since 2005/06, driven by increasing uptake amongst adults aged over 19 and particularly over 25. In contrast, the number of under-19s starting apprenticeships has remained relatively static, accounting for just 26\% of starts in 2011/12. Nearly two thirds of starts were on intermediate level apprenticeships (Level 2) just over one third on advanced apprenticeships (Level 3) with very little take up of higher apprenticeships (Level 4 and above) which were introduced more recently.\textsuperscript{67} A recent Local Government Association survey of local authorities has highlighted that local authorities “showed a clear preference for apprenticeships to be used to pursue the inclusion agenda”\textsuperscript{68} and identified the following issues that are relevant here;

Young people (16-18 years) tend to find it difficult to access apprenticeships because of employers reluctance to employ young people;
Older people – over 25 who have been on low skilled employment or experiencing long periods of worklessness or looking for work due to changes in benefit entitlements;
People with low educational attainment – there is a large cohort of people – mainly those within the benefit system who may not meet the requirements either to enroll on a course or be favoured by employers. Those lacking functional skills at Level qualification are seen as particularly disadvantaged;
Women – tend to be under-represented in apprenticeships in certain sectors (science, engineering, technology) compared with male peers;
Disabled people particularly those with learning disabilities tend not to have the functional skills.

\textsuperscript{66} Sheffield City Council (2015) Childcare Sufficiency Assessment 2015/2016, Sheffield: Sheffield City Council p12
\textsuperscript{67} Sheffield LEP (2013) Sheffield City Region Independent Economic Review p 57
Stakeholders have highlighted a number of other specific barriers identified to the potential routes to apprenticeships for disadvantaged groups:

**Information advice and guidance**

Policy changes in terms of the National Careers Service may have reduced its quality of provision according to a number of stakeholders. As the Independent Economic Review stated:

There are real challenges in improving the IAG delivered within the City Region, given the devolution of funding and responsibility for IAG to individual schools and the reduction in support available for work experience and education business link activity.  

This point is underlined by Ofsted, which commented on the poor promotion of apprenticeships within schools reflected by the low take up of apprenticeships in 16-18 years age group. The Sheffield Chamber of Commerce has argued (Interview) that other initiatives are required to make the links between young people and the labour market (especially SME employers) and Sheffield College’s decision to become a Chamber of Commerce Patron to forge these links reflects the need to fill gaps in existing IAG provision (January 2016).

**Low take-up of apprenticeships by SMEs**

 Widening the demand for skills among SMEs within the city region is seen as important in order that it can open up opportunities for disadvantaged groups to access higher-level skills. SMEs are reluctant to undertake apprenticeships because of cost factors however. One of the key issues identified by the TUC is that the Levy involves a two-tier system and that larger employers may resent those that do not have to pay a levy. Also how smaller employers actually invest in apprenticeships in the context of this policy to increase their numbers and targets is unclear given that adult skills budgets are being cut back—a source of funding to support SME investment in Apprenticeships.

**Quality of apprenticeship and implications of the Employer Levy**

In our view, the 3 million target is possible but the issue with us is the quality of apprenticeships. Many apprenticeships are of a low quality, which makes them largely unsustainable as well as not delivering higher level skills (TUC, Interview 2015).

This was point was emphasized in the Ofsted Report on Apprenticeships suggesting that people who have poor experiences of education and training failed to sustain
employment in their chosen industry and sector. Furthermore the quality of apprenticeships varied between sectors with the weakest in the care, customer service and administration\textsuperscript{73} – sectors which tend to attract the second highest cohort of apprenticeships in the SCR.\textsuperscript{74} A further factor identified is pay – although anecdotal some stakeholders had stated that to their knowledge many apprenticeships were on very low pay rates—below the National Minimum Wage—an issue also raised in a Business Innovation and Skills survey.\textsuperscript{75} Also highlighted by the TUC and a recent BIS survey, around 30\% of apprentices do not complete their apprenticeships.\textsuperscript{76} Moreover, the ‘purchasing power’ and local brokerage leverage effects on employers from the levy could be minimal: the voucher system giving employers “purchasing power” will in practice be a government cash payment for training routed straight to providers and not into employers’ hands first.

**Funding**

Further Education funding has been the subject of considerable funding cuts and FE Colleges within the SCR City are important providers of Apprenticeships. There is a question not only how the cuts can be sustained by FE Colleges but also how this will impact on College users (a large proportion from disadvantaged groups) in terms of their access to apprenticeships.\textsuperscript{77}

**Devolution Agenda is Missing Social inclusion**

Devolution does not necessarily imply a more democratic and accountable policy agenda\textsuperscript{78}, however, the current development towards local commissioning does present possibilities for this debate to be heard—an essential one if the needs of disadvantaged groups are to be taken into consideration. The current growth model can be seen as involving ‘trickle down’ economics and there are a number of aspects to this:

The first unanimous issue raised was that of social inequalities, with delegates noting the economic emphasis of the deal and the devolution debate in general, and wondering how devolution will serve to combat inequalities and increase fairness. In particular there were concerns that in discussions on the economy the question of how growth alleviates poverty is often lost. Though delegates agreed that growth is an important contributory factor in improving people’s lives, it is not the only one and the links between


\textsuperscript{74} REIU (2015) Sheffield City Region Labour Market Review 2015 (Sheffield LEP: Sheffield) p25.


\textsuperscript{76} https://www.unionlearn.org.uk/news/nearly-one-third-apprentices-do-not-complete


economic growth and lessening of inequalities need to be drawn more clearly.79

The voluntary and community sector has expressed a similar viewpoint in their response to the devolution deal:

We also believe there is a case for constructing a “social deal” to sit alongside the present economic, employment, planning and infrastructure deal. Without this, we are concerned that growth will not be inclusive, and that we may see growing inequalities and the risks that emanate from this despite overall better economic performance (Voluntary and Community Sector, Interview, 2016).

An example of this is the way the growth strategy is seen as ‘gender blind’ in that a gender perspective is missing raising the question as to how growth will work to the advantage of women—a significantly disadvantaged and discriminated group in the labour market.

Therefore, if developing an economic strategy that seeks to grow global market share, improving gender equality and women’s economic empowerment is likely to bring benefits by increasing the competitive advantage of firms...there is a large body of evidence that demonstrates women’s advancement in the workplace produces better outcomes and creates prosperity.80

Furthermore, the TUC argues81 that LEPs often do not recognise or understand the role that unions can play as agents for change. While it is recognised that LEPs should be held accountable for their development there are no mechanisms currently in place for this to happen. There are concerns that the LEP Boards are not genuinely representative of their area. Furthermore the devolution of employment policy tends to be taking place without any structural changes or adjustments that will allow the voice of disadvantaged groups to be heard within the city region policy process.

Employers and Disadvantaged groups

As highlighted above, low-pay and poor quality work is an extensive feature of the SCR labour market. Much of the debate tends to focus around unemployed and disadvantaged groups becoming ‘employable’ and obtaining the ‘right skills’ to obtain employment. The views of stakeholders consider that employers as well as the employment services have an important role to play. Evidence submitted to the Sheffield Fairness Commission indicates “that people from deprived communities are often trapped in ‘poor’ work with low pay, poor working conditions, long hours and

job insecurity”. One respondent cited discrimination as a factor in terms of disability with employers seen as reluctant to employ disabled people.

Studies do suggest that among the SME sector the record in employing disabled is patchy citing a range of reasons such as their overall ignorance around disability, what it is, and also there is a lack of awareness of the business case for employing disabled people, and the lack of awareness or willingness to make necessary work place and job design adjustments. Many employers in many respects in terms of their recruitment and selection procedures may contravene Disability Discrimination legislation.

Another study found that there is low-levels of awareness of the DDA among employers and what reasonable adjustments can be made. These findings seem to concur with another study, which found that the vast majority of SME’s do not have any specific HR policies on equality and human rights—they think that they know their obligations in relation to equality in the workplace … only around half of SMEs had taken specific actions to discuss or promote specific human rights issues in the workplace”.

UKCES commissioned research on recruitment practices has highlighted that employers are increasingly using more informal methods for recruitment whilst the majority of unemployed people tend to rely on formal recruitment channels. People who are long term unemployed tend to be seen as a ‘risk’. In their assessment of skills and worklessnesses, Devins et al suggest that employer closer engagement with active labour market policies can facilitate career paths, skills utilization and in work progression etc., which can be facilitated by improved HR practices—a view that is also underlined with the Chartered Institute of Personnel Development (CIPD) assessment of how unemployed people are to negotiate in work progression under the Universal Credit regime (see next section). The underlying message from the Disability Movement (and can be potentially applied to the local labour market generally) is the better outcomes from targeted engagement with employers and provision of in work support, with the Access to Work in its range of support services including the deployment of Support Workers as potentially an innovative

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82 Ibid, p.42.
86 Hasluck C (2011) Employers and the recruitment of unemployed people: An evidence review, Wath on Deanne: UKCES.
model to achieve this\textsuperscript{89}. An interesting finding from recent research on benefit conditionality is that the key challenge for lone parents is not just childcare costs and making work pay but also the willingness and capacity for employers to adjust hours and adopt more flexible working patterns.\textsuperscript{90}

5. WHICH POLICIES AND INITIATIVES ASSIST ACCESS TO EMPLOYMENT AND SKILLS?

Pre-Employment: Initial Engagement and Personalised Support
There is a vast and rich network of advice services operating in the SCR. There is convincing evidence that poverty and debt present almost insurmountable barriers to accessing employment and skills. The importance of advice services can be underlined by the significant sums of monies that are raised for claimants through their work. An important aspect of advice services is to encourage benefit take up. In their study of benefit take up Finn and Goodships\textsuperscript{91} found that many people continue not to claim benefits they are entitled to and if they received them this could be vital to lift them out of poverty.

*Derbyshire Unemployment Workers Centre (DUWC)*
DUWC has been operating for 30 years and runs a number of advice services throughout North East Derbyshire.

> Each year we deal with over 9000 enquiries at our Centres and outreach venues. We have recovered over £3 million in lump sum payments and increased weekly benefits for the people of Derbyshire. This money is vital both for the recipients but also for the regeneration of the local economy. *Money gained is mostly spent locally helping to preserve jobs and aid local businesses.*\textsuperscript{92}

In addition to providing advice and representation services, DUWC has been actively involved in undertaking action research around a number of issues relating to claiming benefits—this includes surveys of people claiming Employment Support Allowance (ESA) and on the impact of benefit sanctions (see above).

*Doncaster MBC Anti-Poverty Strategy Group*
This is overseen by the local partnership, Team Doncaster and the Group’s role is to increase awareness of poverty issues across the partnership, identify gaps in provision and develop actions to meet them.

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\textsuperscript{92} Derbyshire Unemployed Workers Centre Annual Report 2015.
Help to Work in Derbyshire

Building networks and social capital of providers and support services is exemplified and covers the Chesterfield and Bolsover areas of high deprivation. The HTW partnership of over 40 employment-related providers delivering locally has remained vigorous through a communications project funded until May 2016. The underpinning ethos is that no one provider is likely to offer high quality support across all the difficulties and barriers that many of the most disadvantaged workless people face: joint working is the key to offering holistic support.

Personalised One to One Intensive Support

North East Derbyshire District Council Working Communities Project

The Working Communities Project provides a suite of services and one to one support to assist unemployed and disadvantaged groups access employment including support to find suitable employment, confidential support to develop a realistic personal plan that will help you get a job, Help with the job search, using computers, writing a CV, completing an application form and help to attend an interview, advice on how a job will affect benefits, plus help with tax credits, training needs for a job and travel costs, financial support to cover travel costs, childcare costs and other expenses associated with gaining employment.

Barnsley Council Work Programme

This is the subcontractor to the two Prime Contractors (Serco and People Plus). Barnsley Council as a democratically elected public service has forged economic leadership and pro-active approaches to addressing the needs of hard to reach groups. In addition to the Work Programme model of one to one personalized support the WP team have been able to refer claimants to a wide range of services that are run by the Council and this element of coordination is seen as important in terms of being effective even at a time of austerity and cuts in services. The other element is the link between the Work Programme and welfare to work functions and employment and skills strategy of the Council. This link and engagement provides an important vehicle for accountability and potentially effective delivery.

ESF Support for Families Programme (2012-2015)

In order for a family to be eligible to join the programme at least one member of the family must be on a DWP working age benefit. This family member passports all other eligible family members. Either no one in the family is working, or there is a history of worklessness across generations. Where an eligible family includes an individual who is working, or taking part in the Work Programme, that individual will not be eligible for ESF provision. Other eligible family members will still be able to participate. SCffe have viewed this programme as a potential model for future welfare to work delivery because of dedicated key worker support and the link to local authority service provision. An important element of this programme is linking employment and training. Key Worker will offer advice and guidance on the most suitable courses and in addition to signposting people to training the Programme provides support for up to 30 weeks after leaving programme and/or found work, employment.
**Skills Support for Unemployed**
Dearne Valley College ran the Engagement initially generated through links with JCP and other referral agencies, ensuring they held regular information events to promote the provision. Again, putting relevant provision on to engage particular groups i.e. males/females. They have also worked in close partnership with MENCAP who have provided much needed, specialist employability support for learners with a learning and/or physical disability. Also through engagement with local community organisations such as the Sheffield BME Network, they have provided a recruitment agency service at no cost to the employer which has also included the wrap around support i.e. interviewing learners, shortlisting, post-interview communication and in-work support for learners.

The main impact has been on local unemployment with more than 3,500 people finding work post provision, with many more job outcomes being achieved but unable to be claimed as they were outside the 13-week tracking period. The flexibility that SSU has provided has been invaluable to our learners and they have been able to support them not only to gain a recognised qualification, but also increase the soft skills that many are lacking, which are crucial to success in the workplace.

**Sheffield College Routes to Employment**
The Routes to Employment Team operates within Sheffield College and have established a suite of courses providing vocational training for people who are unemployed and claiming benefits, generally referred by Jobcentre Plus. A key objective is to develop a link between courses and employment. An example is the partnership between the College and NHS/Sheffield Teaching Hospitals. A training course has been designed for unemployed individuals, which runs over two days per week for 10 weeks. The training is delivered in College by NHS staff and participants gain employability skills, which are directly relevant to working in hospital support roles. Following taught completion of the course, participants complete a five week placement and then they are in a position to apply for jobs within the NHS.

**In-work Support and Progression**

**Promoting self-employment for disabled people: Work for Yourself project**
The Work for Yourself project supporting local people with limiting long-term health conditions to move from unemployment to start their own businesses ran from June 2012-June 2015 with funding from the European regional Development Fund plus Bolsover District and Chesterfield Borough Councils. The project met and exceeded all the key targets, on time and within budget while gaining high visibility for the concept of self-employment for disabled people via local and national media.

Disabled people are recognised as being interested in self-employment as an alternative to getting a job but, often, mainstream employment and business support programmes are not adequately tailored to meet their more complex circumstances. A specialist programme is particularly appropriate in these two areas where there are high levels of disabled people and high proportions of ESA claimants compared with JSA claimants. However, many factors make client engagement and success within Bolsover District more difficult.
Headline achievements

- 76 businesses launched (plus at least 6 more).
- 51 part time and full time jobs were created (plus at least 7 more).
- 97 local disabled people took part in at least 2 days business support (plus at least 1 more).
- 5 existing businesses were assisted to improve their performance.

**Businesses started.** Clients demonstrated considerable imagination and creativity in building on their previous work experience or life interests to start a variety of businesses, predominantly sole traders with a few limited companies. Some established partnerships with other family members and one has become VAT registered. To date, at least 70% of the new businesses have been trading for over 12 months while some have used their experience of business as a stepping stone to getting jobs.

**Client characteristics.** The client profile was that of more being aged 41+, most not having qualifications above Level 2, most having not worked for over two years, about half claiming incapacity benefits and sizeable proportions living in deprived LSOAs. Many therefore faced complex barriers requiring holistic support.

**Delivery.** We delivered in accordance with our well-established client-focussed and holistic Work for Yourself model. This was essentially on-going one-to-one non-judgemental support provided at locations and/or via communication channels preferred by clients, offering them personalised information to enable them to progress at their own pace without time limits and introducing group sessions once their business idea business idea and confidence had developed. Throughout, we recognised that personal factors (health, finances, family commitments) could have a significant impact alongside the viability of their business ideas.

**Promotion.** We used a multi-channel promotion strategy that enabled the project to meet the overall goals. Throughout, recruiting sufficient numbers of clients from Bolsover District was the major priority.

**Programme.** The Work for Yourself programme has been specifically developed for disabled people over many years and was further refined for this project using client feedback. The four-person delivery team was very experienced with both the project and the client group, and the Business Advisers had relevant professional qualifications/accreditation. Even with Equality Act compliance, alternative “mainstream” provision may not have met the varied needs of these clients.

**ESF Skills Support for Workforce**

Skills support was designed to target employees with low skills and provide funding to support participants to achieve intermediate and higher level skills to respond to local employment needs and LEP priorities. The aims of the project is to: respond to local skills priorities, meet the needs of employed adults in the local workforce and increase participation by employed adults in education, employment or training.
The participants supported through this project are aged 19 or over, employed (or self-employed) for a minimum of 8 hours per week, in a business within the SCR employing less than 250 staff or no more than 49 staff for activity delivered at Level 4. The Priority groups for this provision includes; Participants with Basic Skills Needs, Females, Participants with Disabilities, Participants aged 50 or over and Ethnic Minorities. Target industry sectors included: Hospitality and Catering, Retailing, Wholesaling, Other Financial & Business Services, Health, Transport, Logistics and Warehousing, Construction, Metal Sectors, Communications and Education.

**Sector Based Work Academy (SBWA)**

*Construction Industry Training Board* has recently trialed a delivery model in the SCR to assist unemployed residents of the area to secure employment locally. The trial included CITB staff, Sheffield City College staff, local employers and DWP teams.

The *Source Skills Academy*, a Charity Organisation based at Meadowhall delivers the Work Programme but has built a strong track record in signposting unemployed people to skills including promoting apprenticeships at Meadowhall via the Retail Path, established by the BCSC Education Trust and National Skills Academy to address youth unemployment and encourage more young people to consider a career in the retail property industry. This has been undertaken in partnership with Rotherham Council and the Jobcentre. The Source also delivers Ambition Rotherham programme which has a strong skills and employability focus.

**Skills Support for Work Programme Participants**

Another ESF funded programme related to priorities in relation to ‘Developing a skilled and adaptable workforce’ and ‘Improving skills of the local workforce’. The contract, delivered by covered the period 1 June 2014 to 31 July 2015, when the contract came to an end. The programme aimed to enable individuals to develop the skills required to remain in employment and progress in employment. Elements of the programme involved provision of personalized skills training offer that supports eligible participants in their current jobs, provide bespoke support to employers to ensure that eligible participants are fully supported in their job role, and build on identifiable skills needs to sustain employment and work with participants and employers to develop a careers plan. Two training organisations were responsible for implementing the contract for the SCR (one for South Yorkshire CAP and one for East Midlands CAP).

**Employment Rights and Employee Voice in the Workplace**

**Unionlearn model**

The Union Learning Fund (ULF) was established in 1998 to promote activity by trade unions in support of the objective of creating a learning society. Its primary aim is to develop the capacity of trade unions and Union Learning Representatives (ULRs) to work with employers, employees and learning providers to encourage greater take up of learning in the workplace. The fund is managed and administered by unionlearn, the TUC’s Learning and Skills Organisation under an agreement with the Department for Business, Innovation and Skills, which directs the level and type of
learning activity that should be supported by the fund. A key focus of the ULF work is to promote learning for disadvantaged groups. The GMB Union in Yorkshire and North Derbyshire established in 2015 the Learning for Work initiative, which aims to promote learning for its members in the region and acts as a vehicle for promoting Union Learn models.93 One of the key aspects of the TUC work around skills is the promotion of higher quality apprenticeships via an Apprenticeship Charter, which includes issues around fair pay, access to employment rights and trade union representation, high quality training and individual development, and apprenticeship should not involve job substitution.94

Unions are promoting employment rights among young people—an example is UCATT (Construction Unions representing building workers) Employment Rights and Responsibilities (ERR) programme to over 200 young construction trainees and apprentices including delivering the programme to around 50 construction trainees from across a range of trades at Rotherham College. The union is looking to extend the ERR programme to Barnsley, Doncaster, Sheffield and Wath-upon-Dearne Colleges.

Unionlearn funding has not been immune from funding cuts and has been scaled back nationally and specifically within the Yorkshire and Humberside Region. However independent evaluation of ULF highlights the degree to which it is an effective model particularly with respect to engaging hard to reach groups with learning and training. Taking into account the cost of delivering learning (by FE colleges and others) brokered via Union learning, we estimate that each £1 invested in the ULF generates a total economic return of £10.25, of which £5.75 accrues to individuals and £4.50 to employers.95

**Living Wage Campaigns**

Along with the Government policy of a living wage for over 24 years of age in 2017, a number of organisations within the SCR have become more proactive around this issue. Unison trade union for public sector workers has produced a guide for negotiating agreements96 and negotiating agreements for staff in Sheffield City Council. Sheffield Fairness Commission has promoted the Living Wage with major public and some private employers signing up to this in Sheffield. Along with this a Sheffield Fair Employer Charter has been established which sets out how being a fair employer benefits a company and a series of pledges which employers can sign up to demonstrate their commitment to Fairness. The Charter was launched on 22nd January 2016 and represents a strong statement of the kind of city Sheffield wants to be, as a good and fair place to work. At the time of the launch 25 companies have signed up to the Charter, including some large employers such as the University of Sheffield.

93 http://www.gmblearning.com/about-learning-for-work
94 https://www.unionlearn.org.uk/charter-apprenticeships
6. OTHER CITY REGIONS, SOCIAL DISADVANTAGE AND POVERTY

Leeds
There is much to learn from city-region making developments elsewhere, though we would warn against direct policy borrowing, given the academic evidence that ‘geography matters’ to how policy integrations can be effective\textsuperscript{97}. The More jobs, better jobs partnership sits at the heart of Joseph Rowntree Foundation’s Cities, growth and poverty research programme and involves a partnership between JRF, Leeds City Council and Leeds City Region LEP\textsuperscript{98}. The aim of the partnership is to:

• Better understand the relationship between poverty and the economy at a city and city region level;
• identify what can be done and by whom at city/city region level to create more and better jobs;
• make a compelling practical case for change: how and why cities should link growth and poverty reduction; and
• make addressing poverty a more integral part of local growth strategies in cities and city regions.

A number of projects are under way: Jobs and skills Leeds City Region’s sector strategy is focused around key growth sectors: financial and professional services; advanced manufacturing; health and life sciences; low carbon and environmental industries; digital and creative industries. These sectors are a priority for the local growth strategy. The partnership wants to look beyond these ‘usual suspects’ and develop a clearer evidence base and strategy for growth in lower-skill sectors such as hotels and catering, retail and care, which are particularly associated with low pay and entry-level jobs. The partnership has identified the need to better understand the characteristics and drivers for change of different sectors and identify what can be done locally around the issues of job quality, skills utilisation and labour market progression. One of the issues identified is the need for more work to be done around in work support and advancement (Table 13). Another key element of the work is to undertake cost benefit analysis of the financial gains that accrue with poverty reduction.

Table 13. Connecting People to Jobs: Role of In work support Interventions

<table>
<thead>
<tr>
<th>Staying in work</th>
<th>In work progression</th>
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<tr>
<td></td>
<td>Information</td>
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<tr>
<td>In-work support:</td>
<td>• Caseworker model</td>
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<tr>
<td>Vocational and non-vocational skills development:</td>
<td>• Job-specific training (general and vocational and non-vocational skills development:</td>
</tr>
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\textsuperscript{97} Peck J and Theodore N (2015) \textit{Fast Policy: Experimental Statecraft at the Thresholds of Neoliberalism} (University of Minnesota Press: Minneapolis)

<table>
<thead>
<tr>
<th>Organisation-Specific</th>
<th>Financial Incentives</th>
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<tbody>
<tr>
<td>Workplace learning</td>
<td>Access to computer technology</td>
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<tr>
<td>Basic skills</td>
<td>Childcare/care provision</td>
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<tr>
<td>not firm-specific)</td>
<td>• Transport availability and cost</td>
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<tr>
<td>Broadening of skills</td>
<td>• Health services</td>
</tr>
<tr>
<td>Basic skills</td>
<td>• Community resources</td>
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<tr>
<td>Lifelong learning/workplace learning</td>
<td>• Housing services</td>
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</table>

**Employer Engagement**

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<tr>
<th>In-Work Support</th>
<th>Support to Progress:</th>
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<tbody>
<tr>
<td>External ‘key worker’</td>
<td>• Career ladders</td>
</tr>
<tr>
<td>Mentoring</td>
<td>• Career pathways</td>
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<tr>
<td>Flexibility and work design</td>
<td>• Flexibility and work design</td>
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**Support Services and Enablers**

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<th>Access to computer technology</th>
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<td>Community resources</td>
<td>Community resources</td>
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<tr>
<td>Housing services</td>
<td>Housing services</td>
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</table>

Source: Joseph Rowntree Foundation, Leeds City Council and Leeds City Region Local Enterprise Council (2015) Connecting growth and poverty reduction, Adapted from Table 1, p 11

**Manchester**

The devolution deal between the Government and Greater Manchester in relation to skills and employment has a focus on addressing the needs of disadvantaged groups. The Greater Manchester Combined Authority will undertake further analysis, working with the Department for Business, Innovation and Skills, in relation to post-19 provision. Greater Manchester Combined Authority will explore how the delivery of their respective responsibilities can contribute to aligning outcomes from 16-18 vocational education and commissioning of 19+ adult skills provision. Putting in place appropriate high quality careers education, information, advice and guidance so that apprenticeships are seen as an equally valuable progression route for all individuals leaving school/college. The Government and Greater Manchester will discuss how, within the national framework where individual employers have control of their levy contributions, public sector partners in Greater Manchester could collaborate to take full advantage of the Government’s apprenticeship programme to support new ways of working in the public sector and stimulate progression pathways at all levels within Greater Manchester. There is commitment to joint commissioning with Greater Manchester of employment programme support outside of the Jobcentre Plus regime, to assist the long term unemployed and those with health conditions and disabilities to (re)-enter work.

*Working Well* is the programme, designed and jointly funded by the Greater Manchester Combined Authority and the Department for Work and Pensions, which

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100. [www.manchester.gov.uk/.../6_devolution-_expansion_of_working_well](www.manchester.gov.uk/.../6_devolution-_expansion_of_working_well)
supports Employment Support Allowance (ESA) Work Related Activity Group claimants into sustained employment. Participants are referred into the programme by Jobcentre Plus having completed two years on the Work Programme without moving into sustainable work. All participants have at least one health condition, often including poor mental health. Big Life has been commissioned to deliver the service in Manchester, Salford & Trafford with a key feature of the programme being the integration of other public services to achieve positive outcomes.

The Working Well, which has been successfully trialed, “provides an opportunity to take the principles and learning from pilot and apply them to a much larger cohort, but with equally complex needs. Moreover, the expansion will endeavour to create a new employment and skills ‘eco-system’ bringing together personalised support, skills provision and mental health therapeutic interventions into a seamless package of support. The opportunity to jointly commission the Work Programme, if fully supported by government, would allow GM to develop a new mainstream, integrated and holistic support system for benefit claimants with more complex needs, fully utilising the potential of complementary public services across the conurbation”.

**Liverpool**

Liverpool City Region has established (in 2011) a *Liverpool City Region Child Poverty and Life Chances Strategy*[^101] steered by a Commission operating at the City Region scale which aims to address the following issues and questions:

- What is the best use of Children’s Centre funding to achieve this school readiness target?
- What immediate steps are required to ensure no child goes hungry?
- How can Pupil Premium funding be secured in full, and most effectively used by the City Region’s schools to produce the best outcomes for poor children?
- How do we ensure every child leaving school is guaranteed an opportunity, which they are ready to grasp, in the world of work or further and higher education?
- How can we develop a second phase of the ‘welfare-to-work’ agenda, and bring fairness to household bills, so that all parents are able not only to find work but to earn a sufficient income that provides a decent minimum standard of living?
- What steps can we take to close the disparities in health between poor children and their richer peers?
- What further action is required to provide all children, young people and their parents with access to affordable local transport?

In 2015 the SCR LEP produced a Growth Prospectus and Growth Deal Assurance Framework.[^102] It is unclear how child poverty policy and research has been integrated with the devolution and growth agenda.

7. CONCLUSIONS

The research has sought to generate insight into the nature of economic and social disadvantage in the Sheffield City Region and examine employment and skills governance and policies, which hinder as well as facilitate access to the employment and skills system. This research has highlighted that current and planned devolution, welfare, employment and skills policies tends to reinforce economic and social disadvantage. The opportunities to access sustainable employment opportunities are limited for disadvantaged groups. From this analysis, we have been able to draw some recommendations, which together can be seen as a ‘road map’ to a more inclusive labour market. The opportunity to engage with these key findings and policy implications is being provided, as noted above, by Sheffield’s Devolution Agreements. Three key issues are identified, which need to be addressed by policymakers and politicians as a matter of urgency.

First, the devolution settlement lacks an inclusive governance structure and process, which can be accessed by those groups that are disadvantaged. We see that there is scope to address these deficiencies through greater consultation and representation both on the Local Enterprise Partnership and Combined Authority. Part of this process requires greater transparency in terms of decision-making and scrutiny of policies. The advantage of this is to be able to learn from both failures and what works and assimilate into future policies. The city region as an economic entity faces challenges primarily due to the overlapping partnership responsibilities and administrative boundaries and ensuring that boundaries between different policy-programmes are coterminous and/or having in place strategic working arrangements across fuzzy-boundaries will assist with producing more effective and transparent governance.

Second, the SCR economic strategy is largely fostered on supply-side economics and its ‘trickle down’ approach, which are based on assumptions that the forecasted jobs that will be created will be accessed eventually by disadvantaged groups. As we have highlighted, the link between demand-side and supply-side strategies is weak and this is underpinned with an overly simplistic analysis and interpretation of the nature of labour market inequalities. The report suggests that labour market restructuring is highly complex and also the time line of analysis needs to be more nuanced. For example, as emphasized in the work of Beatty and Fothergill, the de-industrialised areas of the SCR have always been playing ‘catch up’ and that jobs growth has not compensated for the economic restructuring of the late 1970s and 1980s. So at the time of the recession in 2008, the SCR had barely recovered from earlier shocks from the recession 20 years earlier. Furthermore, economic growth strategies do not encompass little analysis of how they will benefit disadvantaged groups. As highlighted in studies by Joseph Rowntree Foundation (JRF) economic growth does not always reduce poverty. The connection between growth and social disadvantage is a crucial issue particularly in meeting GVA targets for city region and reducing marginalisation and social inequality within it.

To be sure there is a need for interventions in labour market supply and the focus on health and employment is vitally important in order to address deficiencies in providing personalised support that has been endemic in the Work Programme (see...
for example Manchester Working Well model). But there also needs to be a focus on demand-side approaches, which can be targeted at disadvantaged groups and an overall greater integration of the employment and skills system. Apprenticeships will play a key role in upskilling in the SCR with the introduction of the Levy, but the quality and local brokerage of apprenticeships is crucially important and also complementary skills programmes, which assist disadvantaged groups, need to be in place.

Third, disadvantaged groups are disproportionately affected by both austerity measures and welfare policies. The benefit conditionality system is seen as increasingly tougher for vulnerable groups. There is little evidence that benefit sanctions actually help people find work and they may have the opposite effect by leading to further impoverishment and exit from the benefit system. Furthermore, there is evidence that people with long-term health conditions are being incorrectly assessed, which is creating problems for welfare to work providers. Local authorities play a vital role in providing services, which support people into employment, but significant cuts in their budgets is undermining employment and skills objectives. All these factors combined suggest that austerity is undermining growth and there needs to a more public recognition of this and an assessment of its impact. On the other hand, whilst it is important to assess the adverse impact of cuts on growth, there is a case for promoting the cost benefits of investing in employment and skills and the potential savings this will make to the exchequer. Furthermore, there is a need for building into any devolved welfare to work system, including Universal Credit, a more user friendly system for claimants and one that takes account of their voice and aspirations.

8. RECOMMENDATIONS: POLICIES AND INITIATIVES THAT CAN WORK FOR DISADVANTAGED GROUPS

The report argues that there is much to learn from city-region developments taking place elsewhere and advocates a number of general recommendations embracing the following underlying principles:

**Focus on Growth-based approaches to social inclusion**

Adopt options that ensure that economic activities are more jobs rich, the poorest benefit the most, and the development is sustainable. LEPs and local authorities define clear objectives for employment, skills and welfare to work activities and measure outcomes in comparable ways, allowing for the identification of which approaches work and might be transferable. Such core aims could be used to align welfare to work programme interventions and their effects with anti-poverty strategies.

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103 See also Centre for Local Economic Strategies (CLES) (2016) How places could and should respond to the budget, +Start&utm_campaign=c9c33e6dd2-Budget_2016&utm_medium=email&utm_term=0_c6380b5395-c9c33e6dd2-4307561

Sheffield City Regions Solutions to redistribution and fairness

We need redistributing strategies that address the needs of poorest areas, decades of deindustrialisation and underinvestment. Areas with poor growth and little prospects for growth have the attendant problems of unemployment and disadvantage. Local economic development is often hampered in these areas, with investment capital reluctant to land, due to poor skills and better prospects elsewhere. Without intervention, the successful areas will merely become ever more successful, whilst the poorer areas are likely to get poorer.

Sheffield City Regions solutions to the Role of public services

Excellent public services can attract economic success. A positive future requires a fundamental recognition of the vital role that local government, its employees, and unions play in local economic development. We need a new central local relationship, founded on trust and a genuine localism, which appreciates the wider value of local government activity and strengthens local capacity to act in the interest of local people, communities and places. Addressing social issues and ensuring local people are protected and nurtured by fairness, equality of opportunity, and decent local services are a key part of economic planning and vital for the future prosperity of places.

Specific recommendations for the Sheffield City Region

Promote inclusive governance at the city region level

This would involve three key elements. First, representation on LEPs and City Region Governance bodies to include organisations that engage with or represent disadvantaged groups. Second, ensure that different programmes and geographical levels of governance and policies are joined up. Third, a more open and transparent sharing of data could be provided, making it available to stakeholders and the wider public. Continuous monitoring and evaluation of strategies and evidence based policy. Fourth, seek to establish coterminous administrative boundaries and/or joint spatial working relationships between the LEP, DWP, Work Programme providers, and Local Authorities, which would help to remove some of the governance boundary problems and also facilitate integration of employment and skills.

Design growth strategies to address poverty reduction

Lessons should be drawn from the Leeds City Region Joseph Rowntree collaboration to connect growth and poverty reduction, through a more jobs better jobs strategy, also developing sector strategies that can be integrated with anti-poverty strategies, which facilitate disadvantaged groups accessing sustainable jobs (exploring for example the potential of the Skills Bank to achieve this). A dimension of this is to undertake a gender audit and assessment of growth policies (for example advanced manufacturing, construction) and other non-traditional women’s work to break down gender segregation in the labour market. An element of the Leeds initiative is a cost benefit analysis of anti-poverty initiatives and the public expenditure savings that can be accrued. For example it is estimated that whenever a claimant moves into a job that pays the living wage, on average the Government gains £6,280 made up of savings to benefits, administration, increased tax rake up and reduced demand on health and crime prevention.
Redesigning welfare to work programmes for targeted groups
This should involve piloting modifications to the claimant agreement to incorporate opportunities for a role of advice services to support ‘customer journey.’ Agreement should involve strategies, which reduce benefit sanctions including the introduction of warning systems for claimants who are in breach of agreements. A more integrated approach to using advice services as part of welfare to work services including benefit take up should be practiced, which in itself will assist in alleviating poverty and financial hardship. Also a more emphasis on support services that address those problems that lead to breaching agreements needs to be considered.

Increasing emphasis on in-work support and progression
The introduction of Universal Credit requires a fundamental reassessment of how low-paid individuals are assisted, beyond the imposition of conditionality. In particular, it will be important to ensure that those who, because of the new incentive structures, choose to work for less than 16 hours a week, are supported to increase their hours and earnings. Those working for over 16 hours a week, but still claiming benefits, will also need to be supported to increase their earnings where possible. Table 10 provides a wide angled lens into the range of initiatives that are required to achieve this. For the SCR, one way of strengthening in work support is to develop the following inter-related measures:

Piloting the Job Rotation model
A starting point is to consider the possibilities of Job Rotation (JR)—a labour market instrument which in effect links welfare to work (including pre-employment training and counselling), lifelong learning, and in work support and in so doing becomes more effective and efficient in reaching its target groups. JR grew out of the expansion of Activation programmes in the 1990s and received considerable funding and promotion from the European Union under the Adapt Programme, widely adopted as a labour market instrument in some EU countries particularly in Denmark, Sweden and Germany, has been the subject of research and feasibility studies in terms of its application in the UK and Sheffield by the authors. Outcomes in terms of employment and further training were generally impressive—up to 70% of unemployed participants went onto full time employment or education and training. The model involves the following key aspects:

- Prepares unemployed people properly for employment and the workplace;
- In work interventions such as mentoring helps people to adapt to the work place;
- Unemployed act as substitutes and assists unskilled workers to get access to training. The business/organisation does not lose production or service delivery time.

Promote employment rights and employee voices in the city region
This could be undertaken through the Unionlearn model and that a specific Sheffield City Region Unionlearn fund is established. Trade Unions represent thousands of workers within the City Region and have been actively promoting training particularly for disadvantaged groups in employment. Unionlearn have emerged as a cost effective model of engaging and empowering disadvantaged groups within the work place through the Unionlearn rep schemes.
The Sheffield Fairness Commission has recommended that all employers within Sheffield pay the living Wage. In addition the Commission is also promoting good employment practices such as training, health screening, regular training, safe working practices, a representative and diverse workforce including capacity to make adjustments to employ disabled people.
APPENDIX 1: ORGANISATIONS PARTICIPATING IN THE STUDY

Barnsley MBC
Bassetlaw District Council
Bolsover District Council
Chesterfield Borough Council
Derbyshire Dales RDC
Doncaster MBC
Rotherham MBC
Sheffield MBC
North East Derbyshire District Council
Barnsley College
Dearne Valley College
Chesterfield College
Sheffield Futures
Disability Dynamics
The Source Academy
Sheffield Centre for Full Employment
Medex Group
TUC
Yorks and Humberside Regional TUC
Unite Union
Derbyshire Unemployed Workers Centre
People Plus
Ingeus
Serco
Sheffield Local Enterprise Partnership and Combined Authority
Disability Dynamics
Sheffield Chamber of Commerce
Dept Business Innovation and Skills, Skills Funding Agency
Department of Work and Pensions
Sheffield Hallam University