

London Borough of Barking and Dagenham

Notice of Meeting

THE EXECUTIVE

Tuesday, 23 September 2003 - Town Hall, Barking, 7:00 pm

Members: Councillor C J Fairbrass (Chair); Councillor C Geddes (Deputy Chair); Councillor J L Alexander, Councillor G J Bramley, Councillor S Kallar, Councillor M E McKenzie, Councillor B M Osborn, Councillor J W Porter, Councillor L A Smith and Councillor T G W Wade.

Declaration of Members Interest: In accordance with Article 1, Paragraph 12 of the Constitution, Members are asked to declare any direct/indirect financial or other interest they may have in any matter which is to be considered at this meeting

12.09.03

Graham Farrant
Chief Executive

Contact Officer Barry Ray
Tel. 020 8227 2134
Fax: 020 8227 2171
Minicom: 020 8227 2685
E-mail: barry.ray@lbbd.gov.uk

AGENDA

- 1. Apologies for Absence**
- 2. Minutes - To confirm as correct the minutes of the meeting held on**

Business Items

Public Items 3 to 7 and Private Items 12 to 14 are business items. The Chair will move that these be agreed without discussion, unless any Member asks to raise a specific point.

Any discussion of a Private Business Item will take place after the exclusion of the public and press.

- 3. Statement of Accounts 2002/2003 (to follow)**
- 4. Revenue Outturn 2002/2003 (to follow)**
- 5. Environmental Sustainability in Barking Town Centre (to follow)**
- 6. Consideration of Support for the Alcohol Advisory Service (Pages 1 - 3)**

7. Development of Employment Strategies (Pages 5 - 56)

Discussion Items

- 8. Private Sector Housing Grants Strategy (to follow)**
- 9. IT for Members (Pages 57 - 70)**
- 10. Any other public items which the Chair decides are urgent**
- 11. To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the Executive, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972).

Discussion Items

None

Business Items

- 12. Treasury Management Annual Report 2002/2003 (to follow)**
Concerns Commercially Confidential Matters (paragraphs 1 and 7)
- 13. Extension of Term Contract for Maintenance of Catering Equipment (Pages 71 - 73)**
Concerns a Contractual Matter (paragraphs 7, 8 and 9).
- 14. Update on Contracting Issues (Pages 75 - 83)**
Concerns a Contractual Matter (paragraphs 8 and 9)
- 15. Any other confidential or exempt items which the Chair decides are urgent**

THE EXECUTIVE**23 SEPTEMBER 2003****REPORT OF THE DIRECTOR OF SOCIAL SERVICES**

CONSIDERATION OF SUPPORT FOR THE ALCOHOL ADVISORY SERVICE	FOR DECISION	
<i>This report is submitted to the Executive at its request.</i>		
<p><u>Summary</u></p> <p>This report provides a summary of the issues surrounding alcohol treatment services in the Borough in light of the request to the Council for financial support to relocate the Alcohol Advisory Service.</p> <p>The report recognises the key role of the Alcohol Advisory service as currently the only provider of alcohol treatment in the Borough but acknowledges there are significant developments in the national agenda for alcohol treatment that may influence future commissioning of alcohol services in the Borough. The most significant of these is the imminent release of a National Alcohol Strategy.</p> <p>As a result the report does not support capital investment into accommodation for the Alcohol Advisory Service at the present time.</p> <p><u>Recommendation</u></p> <p>It is the recommendation of this report that Members do not make a capital investment into accommodation for the Alcohol Advisory Service until their role within the local Alcohol Strategy is confirmed.</p> <p><u>Reason</u></p> <p>We are currently reviewing the Alcohol Advisory Service and producing a local alcohol Strategy, until this process is completed it would be presumptuous to recommend Capital investment.</p>		
<p>Contact Officers: Cathryn Williams</p> <p>Fiona McMahon</p>	<p>Director of Services to the Community</p> <p>Strategic Manager for the Substance Misuse Service</p>	<p>Tel: 020 8227 2786 Fax: 020 8227 2241 E-mail: cathryn.williams@lbbd.gov.uk</p> <p>Tel: 020 8227 2329 Fax: 020 8227 2241 E-mail: fiona.mcmahon@lbbd.gov.uk</p>

1. Background

- 1.1 On 29 April 2003 a report was considered at the Executive on alternative locations for the Alcohol Advisory Service. This report provided two alternative locations for the Alcohol Advisory Service and sought capital funding for the project.
- 1.2 At this meeting Social Services pointed out that the future commissioning of alcohol services for the Borough was uncertain and that the investment in capital for the Alcohol Advisory Service may be premature. As a result the Executive requested a report from Social Services on the reasons why the Council should be supporting the service *with capital funding*.

2. Contract with Social Services

- 2.1 The Alcohol Advisory Service have a rolling three year contract to provide alcohol treatment services in the both Barking and Dagenham and Havering Boroughs. In March 2003 at the joint annual contract review meeting the Alcohol Advisory Service were advised that this contract would not be extended beyond March 2005. The reason for this was that the forthcoming release of a national alcohol strategy and a local strategy may have implications for the way that future services are delivered.
- 2.2 Given the changes that may arise from the national and local strategies it was considered to be a prudent decision to enable some flexibility in the commissioning of future services.

3. National Alcohol Strategy

- 3.1 The national strategy is due to be released in spring 2004. It is anticipated that the release of the strategy will provide a framework for the delivery of treatment services and be accompanied by funding from Central Government.

4. Local Alcohol Strategy

- 4.1 In anticipation of the national strategy the DAAT (Drug and Alcohol Action Team) have commenced an internal scoping exercise. This early work will place the Borough in a strong position to be able to implement the national level initiatives promptly.
- 4.2 The development of the Borough's alcohol strategy will involve all of the stakeholders and aim to meet the needs of the local population while fitting into the structure set by the national strategy. The linkage between community need and alcohol service provision is something that has not been addressed properly in the past and the intention is to take the opportunity to address this now. This will include consideration of the effects of alcohol misuse in settings such as police stations and Accident and Emergency as well as long-term treatment.

5. Organisational review

- 5.1 In line with the development of the local strategy an independent organisational review of the Alcohol Advisory Service is being undertaken. The main focus of the review is on the quality and cost effectiveness of the service provided to clients. This will assist in evaluating the performance of the Alcohol Advisory Service.
- 5.2 The review also provides an opportunity to consider whether the number and type of clients entering this service reflects the priorities and expectations of the Drug and Alcohol Action team and the diverse needs of the community.
- 5.3 This review will complement the development of the local strategy, will provide an insight into the manner in which the existing service is provided, and any gaps that need to be addressed through the strategy.

6. Accommodation requirements

- 6.1 While the Alcohol Advisory Service have been working with Property Services on accommodation options this has been based on the Alcohol Advisory Service's view of how the service will be provided in the future. The organisational review of the service and the development of the local strategy may suggest that a different type of service is required, for example increased outreach work which has different accommodation needs.
- 6.2 There is a need to retain the existing service in its current format until at least March 2004 and Social Services supports initiatives to facilitate alternative accommodation for the service in the short term. However making a decision on long-term accommodation based on the existing service may prove to be an impediment for future services.

7. Conclusions

- 7.1 The Alcohol Advisory Service's accommodation situation has arisen at a time of development for alcohol treatment services both nationally and locally. Currently there is a lack of guidance at a national level and uncertainty over additional funding for alcohol treatment services. The DAAT is being proactive locally by assessing the existing service and commencing a scoping exercise for a local strategy for Barking and Dagenham. However it is too early to agree on the format future alcohol services will take in the Borough.

Background Papers:

None

This page is intentionally left blank

THE EXECUTIVE**23 SEPTEMBER 2003****REPORT OF THE DIRECTOR OF CORPORATE STRATEGY**

DEVELOPMENT OF EMPLOYMENT STRATEGIES	FOR DECISION
<p><i>This report is of strategic significance to the Council in supporting the regeneration of the local economy.</i></p> <p><u>Summary</u></p> <p>This report sets out details of two draft strategies that will ensure local businesses are supported to upskill their employees and that unemployed people are supported into jobs. Borough residents have a very low skills base and low average wages. Local employment has fallen in recent years, particularly in manufacturing and there is a need to support local businesses by upskilling their workforces. Funding streams are available and the Council is well placed to lead partnership activity.</p> <p>The Council can also help unemployed residents through its own recruitment practices and by placing employment conditions in the contracts it places. It also needs to consider training activities as a competing priority for any section 106 planning obligation monies that it secures.</p> <p><u>Recommendations</u></p> <p>The Executive is recommended to agree that:</p> <ol style="list-style-type: none"> 1. The draft strategies attached as Appendices be agreed as the basis for consultation with external partners; and 2. Further detailed reports be submitted on the role that the Council can play as a major employer, purchaser of services and planning authority. The first of these should outline the practical steps to be taken to work with existing local projects aiming to get local people into Council jobs through the provision of a range of pre-employment training and confidence building measures. <p><u>Reasons</u></p> <p>The development of London Riverside and the wider Thames Gateway offers significant opportunities for residents to access well paid employment, which is considered to be the key route to tackling social exclusion.</p>	

<p>Contact Officers Jeremy Grint</p> <p>Terry Regan</p>	<p>Head of Regeneration</p> <p>Principal Regeneration Officer</p>	<p>Tel: 020 8227 2443 Fax: 020 8227 2035 E-mail: jeremy.grint@lbbd.gov.uk</p> <p>Tel: 020 8227 2239 020 8227 2035 (fax) E-mail: terry.regan@lbbd.gov.uk</p>
--	---	--

1. Background

- 1.1 The Regeneration, Neighbourhood Renewal and Community strategies all include references to regenerating the local economy and in particular to ensuring that residents have the skills needed to succeed in the jobs market. However, while there is a range of project activity under these headings there is currently no dedicated strategy that sets out the Council's approach in relation to this area.
- 1.2 Regeneration staff have prepared a draft workforce development strategy (Appendix A) that looks at the local labour market and support for those in employment. A separate document (Appendix B) examines the particular support that the Council should look to provide to unemployed residents.

2. Workforce development for those in employment

- 2.1 This document sets out some of the key features of the borough workforce and firms. The proportion of residents with poor literacy and numeracy skills is the highest in the Learning and Skills Council London East (LSCLE) area. Barking and Dagenham also has the highest proportion of adults who fall below NVQ Levels 2 and 3 respectively and, according to the 2001 Census, the highest proportion of residents with no qualifications in London.
- 2.2 There have been marked improvements in the performance of the borough's schools in recent years but adults need further opportunities to improve their skills. Skill levels crucially determine the wages that residents can command, with the average hourly rate for borough residents being the lowest in London.
- 2.3 While the total number of businesses has been rising, job losses among larger firms has meant that 7,600 jobs in the borough have been lost over 1999-2001. Also over this period 36% of manufacturing jobs have been lost (5,700 jobs) and analyses at London level predict a continued contraction of this sector.
- 2.4 The borough is a net 'exporter' of labour, mainly into other London boroughs. This fact, combined with the loss of local jobs, the low skills base and the anticipated development of London Riverside and the wider Thames Gateway means there is a need explicitly to consider the links between local residents and local jobs.

- 2.5 There is a range of funders, particularly the Learning and Skills Council London East (LSCLE) and the London Development Agency, that fund initiatives upskilling workers. This type of skills development has a positive effect on firms, ensuring that they continue to develop and provide employment opportunities for residents.
- 2.6 The key point from this report is that the council is well placed to lead partnership activity to attract funding to support upskilling initiatives. This is justified in terms of maintaining a supportive environment for existing firms and thereby a supply of local employment. It would also have the effect of increasing the wages and incomes that residents can command.

3. Support for the unemployed

- 3.1 The rationale for local authority involvement in this area is again the central role that paid work provides in tackling social exclusion. The document explicitly recognises that the key support agency for unemployed residents is Job Centre Plus, but that the local authority can add significant local value to the various New Deal initiatives in a number of ways.
- 3.2 Registered unemployment in the borough as a whole is low in comparison to Inner London but there are wards with particularly high rates. These include Gascoigne, Abbey and Thames, where male unemployment is especially high. There is also a continuous flow into and out of unemployment, particularly for those with low skills.
- 3.3 There are also specific groups who face particularly high unemployment rates, such as people with disabilities, some black and minority ethnic groups and lone parents. A co-ordinated local response to the needs of these and others is required.
- 3.4 The draft strategy outlines some current initiatives in Barking and Dagenham and briefly sets out the activities of four other London boroughs for illustrative purposes.
- 3.5 There are some key future actions recommended in the draft strategy. The first is the inclusion of employment and training requirements such as recruiting and/or training a specified number of local residents, in all contracts and procurement activities where this is practicable. This includes a reference to monies secured through section 106 planning agreements, where training should be seen as one of the competing priorities for the Council, not least in areas where it is itself facing recruitment difficulties (e.g. social workers).
- 3.6 The other key action is that the local authority should, wherever possible, encourage local recruitment for its own workforce. This should be taken forward by directly working with two existing local projects – JobNet and Welfare to Work for Disabled People – both of which look to get local unemployed people into jobs through the provision of a range of pre-employment training and confidence building measures. Targeted activity would ensure that the Council workforce more closely reflected the changing demographic profile of the borough. This would also link closely with the Barking Lifelong Learning centre and Gateway to Health and Social Care projects.

4. Consultations

- 4.1 Consultations have taken place with a number of officers across departments, including the Head of Community Learning, Head of the Interim Statutory Planning Division, Corporate Procurement Officer and Corporate Human Resources Policy Advisor.

Background papers used in the preparation of this report:

- London Borough of Barking and Dagenham, Draft Workforce Development Strategy.
- London Borough of Barking and Dagenham, Draft Support for the Unemployed Strategy.

Draft London Borough of Barking & Dagenham Workforce development

Aims

This draft strategy sets out some key issues for improving workforce development in the borough. The key aims are to:

- raise the skills levels and incomes of local people
- enable current and future employers to upskill their workforces, boosting their competitiveness and role as ongoing assets to the borough and its residents.

Recommendations

1. The Council, through its role as planning regulator and its resourcing of business support services and partnerships, should explicitly recognise and promote the importance of upskilling local residents and employees.
2. Mapping needs to be undertaken on an ongoing basis of the key features of the local workforce and businesses.
3. The Council should look to develop with its partners initiatives that support key industry sectors, recognising that only a small proportion of residents are employed locally in manufacturing.
4. The focus of all initiatives should be on delivering training accredited to NVQ Levels 2 and 3.
5. Given the anticipated physical regeneration activities in South Dagenham and Barking Reach, priority should be given to supporting the construction sector.
6. The potential sub-regional importance of Barking Lifelong Learning Centre as a resource to recruit and upskill public sector workers needs to be recognised and commitments of support secured from all local partners.
7. The low level of basic skills in the borough mean that all initiatives need to include provision for basic skills training and will need to operate closely with the Adult Basic Skills Initiative and local providers.
8. Given the profile of skills and employment of the borough's residents promotional work needs to be developed further with schools to continue to raise the aspirations of students of all ages.
9. All partnership work should consider the potential for cross-borough collaboration, initially with Havering through the LDA co-ordinated London Riverside Action Group.

1. Introduction

1.1 This paper sets out key issues in relation to the existing and possible future role of the London Borough of Barking and Dagenham in supporting workforce development in the borough. It sets out:

- a rationale for local authority involvement
- an analysis of the borough workforce and firms
- a range of existing initiatives impacting upon workforce development and
- recommendations for future action.

A definition of workforce development

1.2 The Cabinet Office Performance and Innovation Unit (PIU), in a comprehensive recent report, has defined workforce development as consisting of “activities which increase the capacity of individuals to participate effectively in the workplace, thereby improving their productivity and employability”¹. Workforce development lies between training, which is narrowly focused, and education, which is broad, and is (the report states) necessarily firmly rooted in business needs.

1.3 At its widest, therefore, it encompasses initiatives in education, basic skills and information and communication technology (ICT), among others. Locally programmes such as the Adult Basic Skills Initiative, Learning Villages and establishment of UK Online centres, would all fall within the definition. It would also include those programmes that seek to improve the job prospects of unemployed or inactive residents of the borough, most notably those run by Job Centre Plus under the various New Deals.

1.4 However, this draft strategy is much more narrowly focused. It considers workforce development restrictively to include only those activities already or potentially impacting upon workforce skills in firms and organisations located within Barking and Dagenham.

2. Reasons for local authority involvement

2.1 The Local Government Act 2000 has placed a duty on local authorities to promote the economic, social and environmental well-being of their area. It is evident that the government sees this in the context of community *leadership*. Across the country local authorities have seen it as one of their priorities to promote inward investment and to seek to retain those businesses already located within their area, although there is no specific duty to foster business growth or development.

¹ Performance and Innovation Unit (2001), *In Demand: Adult skills for the 21st century*.

2.2 Essentially businesses are supported in the expectation that they will recruit a proportion of their workforce from the local population and/or will provide services to borough residents.² The former factor illustrates the importance of promoting local recruitment with an element of training and/or upskilling across the range of regeneration initiatives. This is particularly the case for the relatively low skilled workforce of Barking and Dagenham. At the extreme and in the absence of local control over business rates it would be possible for businesses locating within the borough to impose costs without any attendant benefits e.g. a manufacturer not employing any local labour.

Local aims

2.3 The key overarching document concerning economic development and regeneration for the borough is the regeneration strategy.³ All work undertaken by regeneration staff needs to make some contribution towards delivering the aims and objectives set out in this document. At a general level it is clear that the government sees work as an important instrument in tackling social exclusion. For this reason alone workforce development initiatives are worthy of Council support and in accordance with the overarching aims of the regeneration strategy.

2.4 More directly for the Council, the relevant workforce development matters as defined for the purposes of this draft strategy are:

- under education and skills, to encourage local employers to provide high quality work based training which allows residents to progress their careers throughout their working lives
- under local jobs and business: to increase the number of training courses aimed at new entrepreneurs and to support the development of more high-tech jobs requiring skills and education.⁴

2.5 The available evidence suggests that the primary route for action by the Council should be via involvement as “lead partners in accessing and channelling external resources. This is a crucial role and as lead partners they can play a key role in leveraging additional funding, ensuring co-ordinated action and achieving optimum use of resources.”⁵ The key requirement that emerges from research is for those needs articulated by businesses themselves to be acted upon.

² There are also possible indirect effects. Employees from such businesses may support local retail outlets while the business itself may source supplies locally. However, these should not be assumed, the latter particularly where transport links are improving.

³ London Borough of Barking & Dagenham (2001), *Barking & Dagenham: An Urban Renaissance in East London*.

⁴ These are just some of the direct references. As this paper argues that workforce development should be an integral part of the support provided to businesses it should also underpin a range of other aims and actions, e.g. supporting the community sector or cultural industries.

⁵ DTZ Peda Consulting (2001), *Fostering Business Growth*, Beacon Council Research Round 3 Theme Report produced for the Department of Transport, Local Government and the Regions.

2.6 The points to emerge from this analysis are that:

- supporting businesses is a necessary part of the work of local authorities
- this is best accomplished through partnership working with the full range of business support organisations and
- workforce development must be a part of the support offered, since this is a recognised area of market failure and a key route to tackling social exclusion through raising the incomes of local people.

2.7 The Council is already heavily involved with businesses, for example, through its role as planning regulator and resourcing of business support services. Given the importance of skills levels to business competitiveness and to raising the incomes of local residents the Council needs to explicitly recognise and promote the importance of upskilling initiatives.

3. The local workforce

3.1 An understanding of the key features of the local workforce is crucial to any discussion or analysis of what the role of the local authority should be and what areas it should prioritise for support. In comparison with Inner London Barking and Dagenham is characterised by a generally low level of unemployment, albeit the claimant count is high in certain wards in Barking.⁶ The key issue for the borough has been the low level of skills, including basic skills, in the local population, which means that the jobs which residents have accessed have tended to be on average lower paying.⁷

3.2 The Basic Skills Agency provide up to date figures on levels of literacy and numeracy at borough (and ward) level. The figures below relate to the working age population and thus will also include those who are economically inactive. Table 1 shows that in terms of literacy Barking and Dagenham, along with Tower Hamlets, has the highest proportion of its population with low, lower or very low skills in the London East Learning and Skills Council (LSC) area. The comparative national figure was 24%.

⁶ In May 2003 the highest claimant count rates were all in Barking: 10.3% in Gascoigne, 8.3% in Abbey and 7.9% in Thames. The corresponding figures for male unemployment were 12.5%, 9.8% and 9.8% respectively (Source: GLA & ONS).

⁷ Increasing the average income levels in the borough also relates to wider regeneration issues, especially the need to provide 'aspirational' housing that is attractive to those moving onto higher skills and income levels.

Table 1: Low literacy skills

Rank	Borough	N	%
=1	Barking & Dagenham	27,405	31.3
=1	Tower Hamlets	33,671	31.3
3	Newham	41,184	30.4
4	Hackney	34,937	29.0
5	Greenwich	33,565	25.9
6	Lewisham	35,153	23.4
7	Bexley	28,803	22.2
8	Havering	30,526	22.1
9	Redbridge	29,442	20.8
10	City of London	685	19.4
-	London East LSC	170,762	25.8

3.3 Table 2 reveals that borough residents also have the lowest level of numeracy skills in the London East LSC area as measured by the proportion with low, lower or very low skills. The comparative national figure was again 24%.

Table 2: Low numeracy skills

Rank	Borough	N	%
1	Barking & Dagenham	29,957	34.2
2	Tower Hamlets	34,157	31.7
3	Newham	42,295	31.3
4	Hackney	35,807	29.7
5	Greenwich	34,726	26.8
6	Lewisham	35,512	23.6
7	Bexley	29,631	22.9
8	Havering	31,288	22.6
9	Redbridge	28,789	20.3
10	City of London	683	19.3
-	London East LSC	176,942	26.5

3.4 Table 3 below serves to demonstrate the low skills/low pay nature of the local workforce. The first column shows the hourly pay rate, excluding overtime pay, for the listed occupations in the boroughs of Barking and Dagenham, Havering, Redbridge and Newham in 2001⁸. The figures in the second column are derived from the Labour Force Survey Local Area Database for 1999/2000

⁸ Derived from the New Earnings Survey 2001, and refers to those working in Barking and Dagenham, Havering, Redbridge and Newham. These boroughs were chosen as 72% of employed residents work in them. Query run using NOMIS.

and show the number of borough employees by occupation. They indicate the reason for the borough having the lowest hourly wage rate in London.

Table 3: Wage rates and the local workforce

Occupation	Hourly pay	LBBB workforce⁹
Professional occupations	£17.45	-
Managers/administrators	£15.66	6,000
Associate professional/technical	£14.29	-
Craft/related occupations	£9.68	10,000
Plant/machine operatives	£9.19	8,000
Clerical/secretarial occupations	£8.04	15,000
Personal/protective service occupations	£6.53	8,000
Other occupations	£6.52	6,000
Sales occupations	£6.21	-
Borough figures	£10.26	66,000

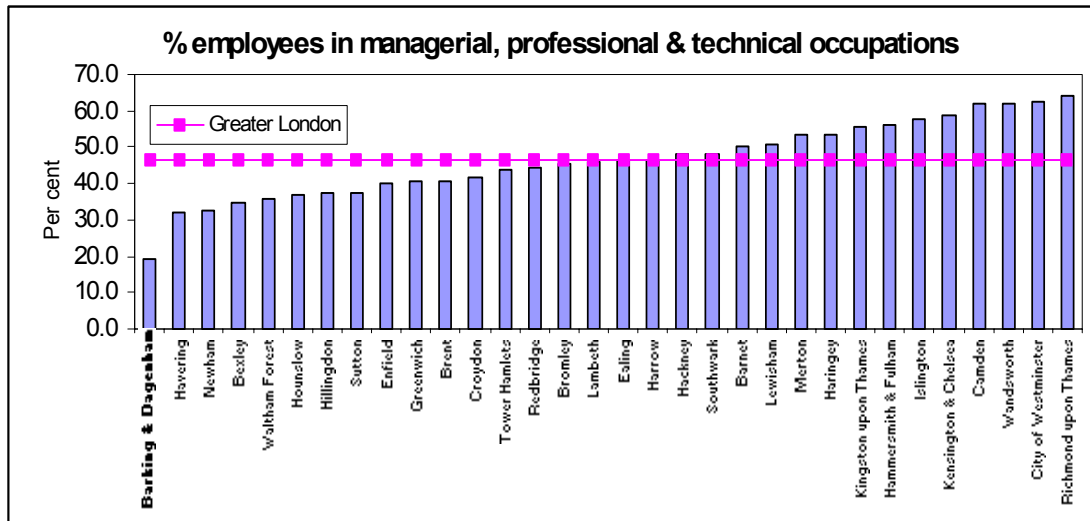
3.5 **It is clear from the figures above that all workforce development initiatives supported by the Council need to include provision for an element of basic skills training.** Literacy and numeracy, along with IT and ESOL are critical to success in the jobs market through leading to both higher wages and fewer periods of unemployment on average. The Council has supported the Adult Basic Skills Initiative in

3.6 The borough's workforce is concentrated in lower paying occupations. Only 19.2% of the local workforce works in the managerial, professional and technical occupations which have the highest hourly rate in London. This is the lowest figure by far, the next lowest in London being Havering at 31.8%, while the highest is Richmond upon Thames at 64% and three other boroughs have figures in excess of 60%. The average for Greater London was 46.3%. Figure 1 shows the relative position of the borough.¹⁰

⁹ Rounded to the nearest thousand. Figures below 6,000 have been suppressed as unreliable but the table indicates that some 13,000 residents work in the three occupations where figures are absent.

¹⁰ Figures taken from the 1999/2000 Labour Force Survey Local Area Database.

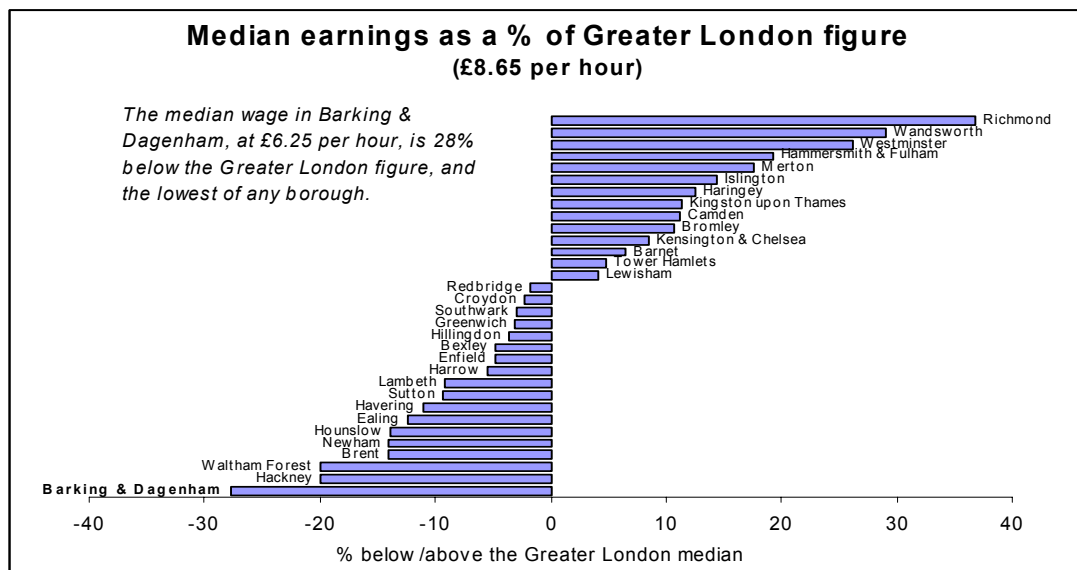
Figure 1



3.7 Applying the 19.2% figure above to Table 3 above would strongly indicate that the number of borough residents working in sales occupations is likely to be near to 5,000 when rounded, with this being the lowest paying of all of the various occupations listed.

3.8 The Labour Force Survey Local Area Database further emphasises the borough's poor position. In 1999/2000 the average hourly wage for borough residents, at £6.25 per hour, was the lowest of any London borough and some 28% below the Greater London average. Figure 2 illustrates again the scale of the problem facing the borough and its residents. Ensuring that the corresponding figure for the borough workforce moves towards mid-place of London boroughs is a key objective set out in the regeneration strategy.

Figure 2



Vocational skills

3.9 Recently released data from the English Local Labour Force Survey, collected over the period March 2001-February 2002 serve to confirm and quantify the relatively low local skills base. Table 4 below shows that half of all economically active adults¹¹ in the borough do not have even a Level 2 qualification. Both male and female residents, on this measure, are the least qualified in the London East LSC area. Indeed some 14,000 economically active people are estimated to have no qualifications at all.

Table 4: Percentage of economically active adults below Level 2

<i>Rank</i>	Borough	% below Level 2		
		Male	Female	All
1	Barking & Dagenham	48	52	50
2	Newham	43	43	43
3	Havering	41	41	41
4	Bexley	33	33	33
5	Tower Hamlets	35	27	32
6	Redbridge	31	32	31
7	Lewisham	30	28	29
8	Hackney	32	24	28
9	Greenwich	27	29	28
-	London East LSC	35	34	34
-	<i>London</i>	28	28	28

3.10 Table 5 shows that nearly three-quarters of borough residents (74%) fall below NVQ level 3. This is again the highest in the London East LSC area and is also true for both men and women. The 26% of residents achieving Level 3 is only a little over half of the 50% national target.

¹¹ Men aged 16-64, women 16-59.

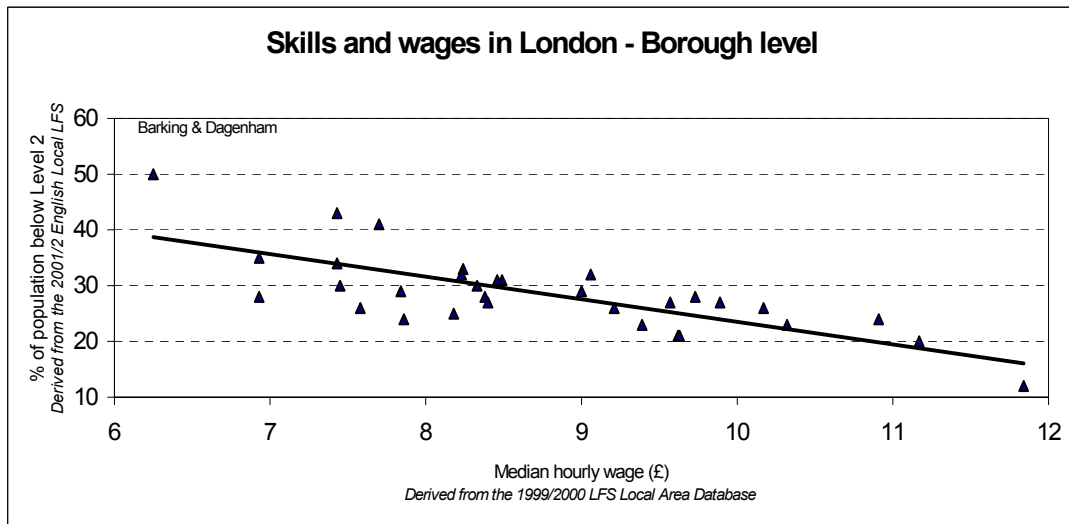
Table 5: Percentage of economically active adults below Level 3

Rank	Borough	% below Level 3		
		Male	Female	All
1	Barking & Dagenham	70	80	74
2	Havering	59	65	62
3	Newham	61	61	61
4	Bexley	56	65	60
5	Redbridge	49	52	50
6	Greenwich	48	50	49
7	Tower Hamlets	50	45	48
8	Lewisham	48	45	46
9	Hackney	46	38	43
-	London East LSC	54	55	54
-	<i>London</i>	45	47	46

3.11 The Labour Force Survey also provides figures on workforce residents who have received training in both the last 4 weeks and the last 13 weeks. Barking and Dagenham had the fourth lowest percentage of residents of any London borough having received training in the last 4 weeks (9%) and the third lowest in the last 13 weeks (16%). The corresponding London figures were 12% and 23% respectively.

3.12 There is a clear correlation between skills (levels of human capital) and wages, in that higher qualifications in aggregate lead to higher productivity and hence higher wages. Even a simple borough correlation can be used to emphasise this. Figure 3 below is a scatter diagram showing the proportion of the population below level 2 plotted against the most recent borough level wage data (for 1999/2000). Barking & Dagenham is highlighted.

Figure 3



3.13 The figures above have clear and quantifiable implications, not least for the LSC, which leads on workforce development issues. The 2002 Spending Review included a commitment to reducing by 40% the number of adults lacking Level 2 qualifications by 2010. Applied to the workforce in Barking and Dagenham¹² this would imply the need to train or accredit in excess of 13,000 individuals, over 2,500 per year.

3.14 Clearly there would be some impact from the existing workforce development activities of companies and other organisations, including the public sector. Similarly Job Centre Plus will have some impact through those going through aspects of New Deal. Additionally, these figures relate to residents of Barking and Dagenham, many of whom will work in other boroughs. Finally, retirements over the period will improve the position as those approaching retirement are more poorly qualified on the Level 2 criterion.¹³ However, the recent strategy document published by the government¹⁴ counters this by emphasising that over three-quarters of the 2010 workforce has already left full-time education.

3.15 It is clear that the national targets will require substantial investment if they are to be attained. It must also be clear that an area like Barking and Dagenham, with such a low skills base, will need an above average increase in activity if it is to approach the 40% reduction in those without Level 2 qualifications, let alone to narrow the gap with the rest of the country. The

¹² The economically active workforce is estimated at 66,000, of which half do not possess a Level 2 qualification.

¹³ According to the London Skills Survey 2001 33% of those aged 51-60 do not have Level 2 qualifications in London compared to only 18% of those aged 25-30.

¹⁴ Strategy Unit (2002), *In Demand: Adult Skills in the 21st Century – part 2*.

recently announced extension of Employer Training Pilots¹⁵ initiative offers a potential source of funding to the borough should it be extended to Barking and Dagenham. In any case, there is a clearly expressed need for LSCs to identify priority sectors and to analyse the barriers and opportunities to achieving a significant increase in Level 2 qualifications,¹⁶ which must impact on the borough given the figures outlined above. **It is clear that initiatives that the Council supports should focus on delivering training accredited to NVQ Levels 2 and 3.**

4. Local businesses

4.1 Just as it is important to have an understanding of the key features of the local labour force so it is also important to have an idea of the potential demand-side for labour from businesses based within the borough. A key method of doing this is to analyse figures available through VAT registrations.

4.2 Although there is a threshold below which registration is not necessary only the very smallest firms (typically one or two person businesses) are not included. The vast majority of business activity and local SMEs are therefore covered by these figures.

4.3 Table 2 below shows the number of VAT registrations and de-registrations¹⁷ over the period 1994-2001. Over the period as a whole the stock of businesses in the borough rose by almost a fifth to 2,665, and only in 1994 and 1998 did de-registrations outweigh registrations.

4.4 It is clear that in every year there were substantial numbers of businesses either ceasing trading or falling below the threshold for registration. In 2000, for example, no fewer than 245 businesses fell into this category, albeit this was far outweighed by the 410 registering in that year.

¹⁵ These pilots looked to explore ways of promoting workforce development activities in SMEs, including through paying not only for training courses but the actual staff costs of those on training. The recent Pre-Budget Report announced £130 million in funding over the next three years which the national LSC expected would allow between a quarter and a third of LSCs to be covered. London East is among those included and the scheme is expected to begin in late 2003.

¹⁶ Learning & Skills Council (2002), *LSC Draft Workforce Development Strategy to 2005*.

¹⁷ Note that some of those de-registering will have fallen below the threshold rather than ceased trading.

Table 6: VAT registrations & de-registrations 1994-2001

	Stock at start of year	Registered during year	De-registered during year	Net change
1994	2,240	265	345	-80
1995	2,155	390	270	+120
1996	2,275	295	255	+40
1997	2,315	355	270	+85
1998	2,400	430	440	-10
1999	2,390	395	285	+110
2000	2,500	410	245	+165
2001	2,665			

4.5 Further additional information is supplied through the Annual Business Inquiry for the period 1999-2001. Table 7 below shows that over this period there has been a fall in local employment of 7,600 jobs, equivalent to 14% of jobs at the beginning of the period. The heaviest fall by far was in manufacturing where over a third (36%) of jobs were lost. The loss of almost 6,000 jobs in this sector over this period represented just over three-quarters of the total net loss of jobs in the borough. Transport and communications, construction and banking, insurance and finance also registered large percentage falls in employment. Only in public administration, education and health (+9%) and other services (+7%) was there any growth in employment.

Table 7: Jobs by industry in LBB, 1999-2001

Industry	1999	2000	2001	% change
Manufacturing	16,000	12,100	10,300	-36
Construction	2,700	2,600	2,400	-14
Distribution, hotels & restaurants	11,400	10,800	11,100	-3
Transport & communications	6,500	5,400	5,000	-22
Banking, finance and insurance	7,100	6,900	6,300	-10
Public administration, education & health	9,900	10,200	10,800	+9
Other services	2,000	2,400	2,100	+7
Other	100	100	100	0
Total¹⁸	55,700	50,600	48,100	-14

4.6 Manufacturing employment in the borough has been overtaken in relative importance by distribution, hotels and restaurants and public administration,

¹⁸ Figures do not sum to totals due to rounding.

education and health. Despite this it still accounts for over one-in-five local jobs. **However, the dependence of the borough on what is a declining sector means that the borough will need to attract businesses currently located elsewhere as well as an increasing share of any new employment opportunities if further decline is to be arrested.**

4.7 One report estimates that although employment in London is set to grow by nearly 300,000 jobs, “within this the broad picture is one of further losses in primary and utilities, manufacturing and construction, more than offset by gains in the business and miscellaneous service sector of 310,000 jobs and smaller increase in non-marketed services (30,000 jobs) and distribution (20,000 jobs)”.¹⁹

4.8 Findings from the London Employers Survey 2000 add to this by showing that up to 17% of manufacturing jobs are at risk of movement out of London. The sector was one in which more firms were likely to report employing fewer employees in the last year. The London Framework for Regional Employment and Skills Action (FRESA) noted the “increased tendency to relocate low value-added activities, particularly in the production sector, in countries that offer low wage and low skill environments with low overheads. In parallel, London has witnessed a growth in higher-level skilled occupations and the service sector and a contraction in the production sector”²⁰.

4.9 Table 8 brings together the preceding information and shows the number of registered businesses by sector. The largest number are located in wholesale and retail (795), with real estate and business activities (540) and construction (410) also containing significant numbers. The larger average size of manufacturing concerns is shown by the fact that, despite being by far the largest industry, it ranks only fourth in terms of the number of businesses, with 290 registrations.

¹⁹ London Skills Forecasting Unit (2002), *London Skills Survey 2001*, p18.

²⁰ London Skills Commission, *London's Framework for Regional Employment and Skills Action*, 2002, p12.

Table 8: Change in registrations by sector

	1998	1999	2000	Whole period	Stock 2001
Agriculture & fishing	0	0	0	0	5
Mining, energy	0	0	0	0	0
Manufacturing	0	5	10	15	290
Construction	30	20	45	95	410
Wholesale & retail	15	25	30	70	795
Hotels & restaurants	0	20	20	40	180
Transport & communications	5	10	5	20	275
Finance	5	5	0	10	20
Real estate, business activities	75	35	45	155	540
Public administration	-140	0	10	-140	140
Education & health	0	-5	0	-5	15
All	-10	115	165	260	2,665

5. Local employment

5.1 It was argued above that it was quite possible, albeit as an extreme assumption, for a business located within Barking and Dagenham to impose costs on the local area (e.g. on the transport infrastructure) while bringing no attendant benefits (e.g. not a service provider or employing local people). The key point to draw from this is that it is not just the numbers or industries in which businesses are located but also the fact that for them to have a significant positive influence it is necessary for them to employ local labour. Workforce development projects that do not consider this point, however funded, are at risk of failing to benefit local residents.

5.2 There is no accurate data on the correlation between local jobs and local industries. The 1991 Census indicated that only some 43% of residents worked in the borough.²¹ The most recent data currently available is that contained in the 1999/2000 Labour Force Survey Local Area Database which is presented in Table 9 below.

5.3 It is evident from these figures that the borough is a net exporter of labour, with 66,000 residents in employment but, as Table 7 above showed, only 48,100 local jobs. The importance of manufacturing to local residents is less evident when examining these figures, with just under 14% employed in this sector compared to just over 9% in London as a whole. It should also be borne in mind that some proportion of those in manufacturing employment will be employed in other London boroughs or even further afield.

²¹ Figures from the 2001 Census should be available during 2003.

5.4 The biggest employment industry for residents is financial intermediation and related business services, with just under a quarter (23%) in these jobs. Two other sectors are of relatively higher importance than manufacturing. In comparison to London, manufacturing, construction and transport, storage and communication are the three sectors which are of relatively greater local importance, most notable of these being construction.

Table 9: Borough employment & borough employees

Industry	N	%	% London
Manufacturing	9,000	13.6	9.1
Construction	7,000	10.6	5.6
Wholesale/retail trade, repair etc, hotels, catering	12,000	18.2	18.5
Transport, storage & communication	6,000	9.1	8.3
Financial intermediation, real estate, renting & business activities	15,000	22.7	25.8
Public administration & social security, education, health & social work	11,000	16.7	23.1
Other ²²	6,000	9.1	9.6
Total²³	66,000	100.0	100.0

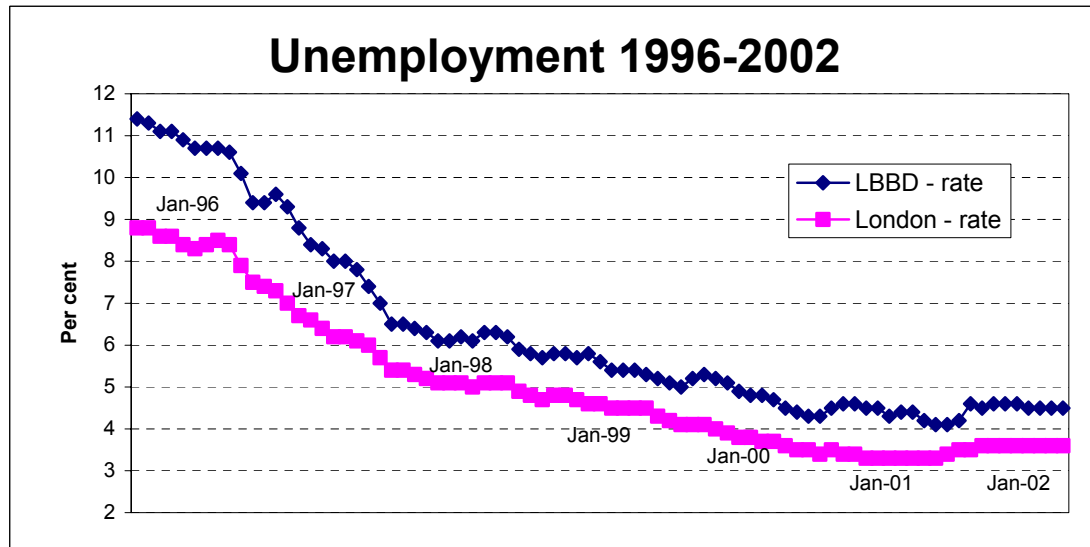
5.5 The key point from the tables above is that, while Barking and Dagenham is an important location for manufacturing industry and that sector is an important provider of employment opportunities, it is by no means the most important sector for local residents. Hence, while it is worthy of support there should also be explicit consideration of other industries and sectors, some of which not only employ more local labour but are in case also lower paying.

5.6 It is clear that, compared to London generally, there is a greater dependence of the borough on the 'tradeable' sector of the economy, which is more sensitive to changes in exchange rates and world economic conditions. Downturns in the economy, combined with the low skills of the adult workforce are, other things being equal, likely to have a disproportionate effect on the borough's economy. An indication of this is given in Figure 3 below which shows that the gap between the borough's rate of unemployment and that of London was almost three times as wide (2.6% compared to 0.9%) at the beginning of the period (January 1996) compared to that at the end (September 2002).

²² This includes agriculture and other community and social/personal occupations. Figures for Barking and Dagenham have been suppressed due to the small sample size and should be treated as indicative only.

²³ Figures do not sum to totals due to rounding.

Figure 4



5.7 The sections above highlight the importance of good labour market intelligence. **For the Council to engage proactively on this agenda there is a need to undertake a mapping of skills, employment and business characteristics and trends on an ongoing basis.**

6. Current initiatives

6.1 The structure of the local workforce and local businesses has been addressed above. This section assesses current initiatives impacting upon workforce development that are relevant to the issues set out in this strategy. It is clear that there are a range of organisations that exist to serve SMEs, particularly in the Thames Gateway area of which Barking and Dagenham is a part. The objective here is to assess what initiatives over and above these and those available nationally are impacting directly upon workforce development.²⁴

6.2 The key projects impacting on workforce development outside of those which can be purchased at full cost from Colleges or other training providers are explained in more detail at Appendix A. It is clear that in total there is not a great deal of local activity, given the scale of need in terms of getting people to the key NVQ Levels 2 and 3. The Gateway to Industry project is the most significant, as it is an established project that is actively and successfully bidding for funding from European and other sources to support its work, which is focused on

²⁴ SMEs are the focus of concern and should be taken to include voluntary and community sector employers. As such this excludes Council initiatives upskilling its own workforce, such as the Union Learners Rep scheme.

manufacturing, and is also working towards accredited training at the key NVQ levels.

6.3 It is notable that work focusing on manufacturing through the Heart of Thames Gateway programme is the most significant part of the activity taking place. While there is also activity upskilling those in childcare and care homes, outside of this whole sectors receive no dedicated support apart from that provided through general business support agencies.

6.4 Appendix B outlines a range of other workforce development initiatives or bodies who have an interest in this area. The most notable here are the opening of the Centre for Engineering and Manufacturing Excellence (CEME) which will considerably bolster the range and levels of support available to employees in manufacturing industry, and the development of a local Learndirect 'premier business centre' that will offer an enhanced level of Learndirect support for businesses across the board. The latter could and should be considered as a component in future projects, offering as it does flexible delivery options.

6.5 The key points to take forward from the listed initiatives are, firstly, their generally limited nature and scope in terms of tackling the key issues of expanding NVQ Level 2 provision. Perhaps just as importantly these projects have not developed in any systematic way in terms of an overall assessment of the workforce development requirements of local residents and businesses. This is not to say, of course, that they do not tackle very real needs in the sectors on which they are focused.

6.6 It should also be re-iterated here that the definition of workforce development and the initiatives outlined have been restrictive. There is a range of activity underway that will impact on the skills of residents, if only indirectly, but which needs to be integrated wherever possible with existing and future workforce development initiatives. These would include projects that are partly supported through the Neighbourhood Renewal Fund, such as ESOL and basic skills projects.

7. Workforce development issues for SMEs

7.1 Much is already known about the requirements of SMEs both nationally and in terms of London East, particularly in terms of the constraints that they face in developing their workforces. As the Learning and Skills Development Agency (LSDA) note, "the increasing importance of small companies to the UK's economy means that efforts to develop the workforce with small firms are also required".²⁵ Issues of workforce development are most acute with respect to the

²⁵ Learning & Skills Development Agency (2002), *Working Towards Skills*, p13.

smallest firms, yet in a recent survey an estimated 55% of jobs growth was in firms employing 1-9 employees, with a further 17% in those employing 10-49.²⁶

7.2 At a general level a significant proportion of firms fail to provide any training. The London Development Partnership found that “in 1999, only 59 per cent of employers provided training to their staff. Participation varied by sector, with hospitality and construction reporting the lowest levels. Three-quarters of employers had either no training plan or no training budget”.²⁷ A more recent survey found that only 24% of employers in the London East LSC area said they had a training budget, the lowest figure in London, while 63% in the same area said that staff had not participated in training in the last year.²⁸

7.3 The Federation of Small Businesses (FSB) identified education and training as one of five key constraints on business growth. A recent report by the FSB²⁹ found that nearly half (44%) of the smaller businesses (with a turnover below £100,000) had no training during the previous 12 months. It also found that in London 37% of respondents reported that there had been no training over the last year.³⁰

Barriers to training

7.4 The FSB survey already mentioned found the main reasons for not participating in training were:

- time constraints
- training not required
- cost
- non-availability of relevant training
- accessibility
- possibility of losing staff once trained.

7.5 The London Skills Survey revealed similar findings with the main barriers being firms questioning the need for training, the costs of the training itself and that of staff time also mentioned. The LSDA report confirmed these findings on barriers to training but also found a generally positive attitude towards workforce development activities from both firms and workers.³¹

7.6 It is possible that in many instances those companies reporting that training is not needed are losing a competitive edge, and that staff would in fact

²⁶ London Skills Forecasting Unit (2002), *The Competitiveness and Skills of the London Economy: The results of the Employers' Survey 2000*, p38.

²⁷ London Development Partnership (2000), *A skills strategy for all London's people*, p2.

²⁸ London Skills Forecasting Unit (2002), *ibid*.

²⁹ Federation of Small Businesses (2002), *Lifting the Barriers to Growth in UK Small Businesses*.

³⁰ By sector in the UK the highest figures for no training were recorded by retail/repair/wholesale (47%); agriculture (45%); manufacturing (41%) and transport (41%); construction (37%), hotels/restaurants/pubs (36%) and other services (34%).

³¹ Learning & Skills Development Agency (2002), *ibid*.

benefit from some intervention. Similarly, at least some of those organisations (almost half) reporting that staff train enough already will in fact not be investing enough in training activities. Indeed there is recognition that there is a significant amount of work to be done by LSCs and others in terms of promoting the value of workforce development.

7.7 The London Skills Survey also outlined a range of findings in terms of overcoming barriers. In terms of staff time there is, as one would expect, a need for as much flexibility as possible in terms of scheduling, the length of sessions, the location of training and the use of on-line/distance learning.

7.8 The key point is that the barriers to training, in general terms, are widely known. An important next step for Barking and Dagenham would be to identify the local context and precise mix of factors affecting SMEs, through hands-on outreach work with firms, which would allow tailored solutions to workforce development needs to be devised.

7.9 It is evident that training is an area of market failure, for various reasons, and that “even in times when staff recruitment difficulties are occurring, the majority of employers in London (57 per cent) do not support training at their workplaces. This lack of actual activity may not be surprising since less than a third of employers have a training plan (29 per cent) or a budget for training expenditure (32 per cent)”.³² Many of those undertaking training do not pursue formal qualifications.³³ The scope for interventions supported by the Council, LSC and other interested partners is therefore evident.

8. The London context

8.1 The overall framework for activity and national targets are of course set by central government. The commitment to tackling skills shortages, particularly the need to cut by 40% the proportion of the workforce lacking a Level 2 qualification have already been outlined. The strategies and plans impacting on the skills agenda are set out at national level but interpreted locally in London by the London Development Agency (LDA) and London LSCs.³⁴ These also sit within the context of the Mayor’s Economic Development Strategy and London Plan and key documents such as the Regional Development Plan (RDP) and Single Programming Document (SPD).³⁵

³² London Skills Forecasting Unit (2002), *ibid*, p95.

³³ The Employers’ Survey 2000 found that of those employers providing training only 38% said that their staff gained or were pursuing formal qualifications.

³⁴ London Skills Commission (2002), *London’s Framework for Regional Employment and Skills Action*. This is known as the FRESA.

³⁵ The RDP looks at the priorities for the use of European Social Fund (ESF) monies under Objective 3. The SPD outlines the priorities for European Regional Development Fund and ESF Objective 2 funding.

8.2 The London Framework, or FRESA, focuses on the effective supply and demand for skills, training and workforce development generally. It concerns itself with the conditions for establishing what is termed a 'healthy labour market'. The report sets out five strategic objectives which are to:

- ensure access to employment, training and personal development for those seeking work and access to training and personal development for individuals in work.
- enable the excluded to access learning and sustainable employment.
- enable London's employers and businesses of all sizes to recruit and retain the skilled workers they need in order to compete and deliver sustainable economic growth.
- encourage education and training providers to provide learning and services which are market sensitive, match the needs of London's workforce and take due consideration of employer demand.
- engage all stakeholders in a co-ordinated approach to labour market information, related advice, guidance and subsequent investment.

8.3 The report analyses needs by sector³⁶ and priority target group³⁷ and contains the same spatial priority areas as the London Plan, with Barking and Dagenham included among them. This offers a clear opportunity for action in terms of workforce development activities.

8.4 At its core, and re-emphasising issues already raised in this report, the Framework notes that "developing skills in the workforce (actual and potential) is key to achieving the FRESA vision. Increasing the demand for skills from both individuals and employers is critical. Communicating the value of workforce development in order to generate this demand is critical".³⁸

8.5 It should be of particular interest to Barking and Dagenham that one of the relevant actions required to implement the recommendations is the targeting of LSC and other public sector resources at those in lower level occupations. The next two sections look at the relevant programmes of London East LSC and the London Development Agency respectively.

³⁶ This encompasses a wide range industries and includes biotechnology, construction, cultural and creative industries, finance and business services, green economy, ICT, manufacturing, public services (including education and health and social care), retail, tourism, transport and logistics and voluntary and community sectors.

³⁷ These are in accord with the London Regional Development Plan and include lone parents, young people, men over 50, ethnic minorities, disabled people, ex-offenders, refugees/asylum seekers and homeless people.

³⁸ London Skills Commission (2002), *ibid*, p31.

9. London East Learning & Skills Council

9.1 While there a range of funding streams that can potentially be accessed to support workforce development initiatives there have in the recent past been two key funders. These are the Learning and Skills Council London East and the opportunity for European funding through the Government Office for London. With the advent of co-financing,³⁹ these two key streams have been brought together.

9.2 A focus on this source of funding is necessary not least because of the paucity of initiatives impacting on Barking and Dagenham at the present time and the importance of LSC London East as the key funder of workforce development programmes.

9.3 LSC London East is the organisation with the chief responsibility for funding workforce development projects and programmes. It has five strategic aims, one of which is “to ensure the provision of high quality and relevant learning in London East through the development of appropriate learning opportunities which both meet the needs of local employers and their workforces and enables local people to compete successfully for local jobs”.⁴⁰

9.4 LSC London East covers ten boroughs, including the City of London, and has substantial funding over the period 2002-2004 available through its European Social Fund co-financed programme and Local Initiative and Development Fund (LID). The current European structural funds run until 2006 so it is likely that money will be available through future programmes.

9.5 The recent funding prospectus circulated by the LSC in the most recent bidding round contained 19 priority areas for workforce development. A cursory examination reveals that there are a whole range of projects for which the Council and its partners could bid in order to secure workforce development projects. Additionally, several of these priorities are targeted at SMEs generally, the implication being that they could be targeted at any of the sectors established within the borough.

9.6 LSC London East are preparing sectoral strategies that include the following industry sectors:

- construction
- cultural and creative industries
- financial and business services
- health and care

³⁹ This brings together European budgets with those of co-financers and provides 100% of project funding. The key London co-financers are the LSCs, LDA, Job Centre Plus, Business Link for London and Association of London Government. The LSCs are the key funders of workforce development activities.

⁴⁰ London East Learning and Skills Council, *Funding Prospectus 2002*, p6.

- hospitality and catering
- manufacturing
- transport and logistics
- public administration
- retail
- voluntary and community.

If the funding that will support these strategies is to be fully exploited **the Council should look to work with partners to develop initiatives that support the key industry sectors** identified by LSC London East.

9.7 Given the anticipated scale of developments in South Dagenham, Barking Reach and the wider Thames Gateway an initial priority should be to support the construction sector. Work is already under way to support manufacturing in the borough through various Heart of Thames Gateway SRB projects. **Support is also being support to fully develop Barking Lifelong Learning Centre. The potential sub-regional importance of the Centre as a resource to recruit and upskill public sector workers needs to be recognised and commitments of support secured from all local partners.**

9.8 The key recommendation here is that, in partnership with local business support agencies the Council should look to co-ordinate bidding for funds that support workforce development. There is potential across the range of sectors, and in particular to ensure that those in SMEs can obtain flexibly delivered provision at NVQ Level 2. A key action would be to identify delivery partners. There is also a need to seek to pro-actively shape the Employer Training Pilots scheme that will be launched by LSC London East later in 2003 and that will fund NVQ training up to level 2. This scheme will also compensate firms financially for staff time.

10. London Development Agency

10.1 The London Development Agency is also a co-financing organisation for Objective 3 of the European Social Fund, including two measures that upskill employees.⁴¹ Its funding programme also runs until 2004 and while none of the successful bidders came from Barking and Dagenham the borough may benefit from some of the approved sub-regional projects.

10.2 The LDA have more recently launched their Local Development Actions (LDA²) programme, which is also available to support workforce skills development, social enterprises and a range of other relevant actions. This is expected to assume greater significance over time as the closure of inherited regeneration projects makes more funding available to the LDA. The programme

⁴¹ Measure 4.1 – update and upgrade employees vocational skills; Measure 4.2 – identifying and meeting skills shortages.

is expected to have rounds running every six months or so, and the second round has recently closed.

10.3 In addition to these programmes, and perhaps more significantly, the LDA has initiated a London Riverside Action Group looking specifically at developments in Barking and Dagenham and Havering. This in turn has a skills and employment sub-group on which the Council are represented, along with Havering, Job Centre Plus, LSC London East and others. The group is looking to ensure that developments in London Riverside and the wider Thames Gateway benefit residents across the whole of both boroughs. It is currently working towards the development of a Skills and Employment Programme Development Framework, with the ultimate aim of commissioning projects in the area and for which the LDA has a dedicated budget.

10.4 The group has set out four key objectives that are in accord with the FRESA and the thrust of this strategy document. The objectives are to:

- enable Riverside's current and future employers to recruit and retain suitably qualified and skilled workers to ensure the area's future economic stability
- ensure the current and future population are equipped with the skills to compete for employment now and in the future
- enable those excluded from the opportunities to be created in the Riverside to access learning and employment opportunities
- encourage skills, training and education providers to improve their delivery ensuring provision meets demand from individuals and business.

10.5 The framework also contains a range of cross-cutting initiatives and project themes to which the Council has already contributed. It is clear that this group will provide a co-ordinating focus for activity in both boroughs, and can look to shape the future funding programmes of LSC London East and others. **The Council should look to the potential for cross-borough collaboration with Havering through the London Riverside Action Group.** However, this does not detract from the need for a considered, resourced strategy for Barking and Dagenham, which would allow pro-active shaping of the London Riverside agenda.

11. Conclusion

11.1 Policies for workforce development sit within a national context. The PIU report on workforce development already highlighted above set out that the "... Government's long term aim should be to ensure that *all* adults have the opportunity to achieve a level 2 qualification"⁴² and that the aim should be raising demand for workforce development from employers and employees and "helping

⁴² Performance & Innovation Unit (2001), *ibid*, Executive Summary, p1.

employers, particularly small employers, to develop business strategies that drive up demand for WfD”.⁴³

11.2 The overarching framework being set out by the government has been fairly clearly defined: “Basic skills of literacy and numeracy must continue to be a top priority. But they cannot be seen in isolation from wider development of skills up to level 2 and beyond, especially in the context of a new Government target to reduce by at least 40 per cent the number of adults in the workforce who lack NVQ2 or equivalent qualification by 2010. Beyond this, specific intermediate skills at level 3 are of crucial importance to economic success and Government must ensure that, where necessary, there is sufficient flexibility in the system for these skills needs to be met.”⁴⁴

11.3 A key rationale for this is that both the individual and society benefit from increased skill levels: higher levels of skills result in higher pay, a key objective as set out in the borough’s own regeneration strategy. It is apparent that “there is a clear link between training provision and business performance”,⁴⁵ while work by the Federation of Small Businesses established that “there is an important and direct relationship between training and firm performance. Not only does training increase with firm size (as measured by turnover), but there also appears to be a relationship between training and growth performance in turnover.”⁴⁶

11.4 The information in this strategy, contextualised with respect to the specific situation in Barking and Dagenham, can form the basis of funding bids. The full range of partner organisations that are actively collecting information from businesses need to sign up to the co-ordinated approach outlined here. Further information would also locate projects within the work of the emerging sector skills councils, which are being established to take over the work of the former national training organisations (NTOs). These are carrying out assessments of the workforce requirements of respective key sectors of the economy.

11.5 **It is necessary to regularly obtain and consider information on the local workforce and local businesses.** With this it should be possible to produce regular assessments of key sectors of the borough’s economy and to generate information that would allow the production of a co-ordinated approach to workforce development. In particular, it would recognise that manufacturing has been a focus of much of the work to date, which the advent of CEME will confirm. One report noted that “established manufacturing in east London is ... currently an important local asset, but as in other inner urban economies its

⁴³ *Ibid*, p2.

⁴⁴ Strategy Unit (2002), *In Demand: Adult Skills in the 21st Century – part 2*, p9.

⁴⁵ London East Training & Enterprise Council/Thames Gateway London Partnership (2000), *Look East: A learning and skills assessment for the Thames Gateway 2000*, p27.

⁴⁶ Federation of Small Businesses (2002), *ibid*, p11.

future viability cannot be assumed”.⁴⁷ For Barking and Dagenham there is a need for a reasonably diversified economy to ensure that downturns do not disproportionately affect the local workforce.

11.6 The Council is well placed to contribute to partnership work on this agenda through the London Riverside Action Group and other, wider fora. However, it is clear that this is resource intensive and there will be a need to secure additional funding to support the development of this agenda.

11.7 A key recommendation from the Beacon Council Research on Fostering Business Growth which has already been mentioned above should focus the Council’s requirements in terms of workforce development and wider business support. This is that “from the point of view of fostering business growth, local authorities engaging in skills and employment initiatives should be able to demonstrate the rationale for intervention, to define clearly the added value of the role they perform and the nature and purpose of specific interventions. Again authorities should be able to explain clearly how their interventions fit within agreed strategic priorities, the justification for intervention, and value arguments.” This strategy looks to start tackling this.

11.8 It is important that workforce development activities are seen as integral to tackling social exclusion through raising income levels. **As such they need to begin in the school system where existing links⁴⁸ need to be developed and deepened to ensure that the aspirations of students ensure that they seek and can obtain well paid employment.** The existing good work in this area needs to be built upon.

11.9 However, on its own this is not enough as the vast majority of the 2010 workforce has left any form of full-time education. **It is therefore necessary to fully explore the range of ways in which the Council can work in partnership to promote and make available flexibly workforce development activities in SMEs in key sectors.** Work should also be undertaken to explore the potential to expand provision for those residents looking to upskill or re-skill in their own time. Such skills training needs to link in to future developments in the area, as do those initiatives which have the potential to upskill unemployed residents, which has been outside the scope of this report.

11.10 This strategy has focused on workforce development initiatives as they relate to SMEs as that is where training is most needed, although efforts on the part of larger employers should also be encouraged. This applies not least to the major public sector employers, the Council and health services. The Council is already participating in the union learning representative scheme and is therefore well placed to promote this as an example more widely.

⁴⁷ London East Training & Enterprise Council/Thames Gateway London Partnership (2000), *ibid*, p28.

⁴⁸ See Appendix B for a brief outline.

APPENDIX A

Projects impacting on workforce development in Barking & Dagenham

Lead	Project	Sector	Notes & LBBD role
Heart of Thames Gateway (London Riverside Limited)	JobNet	Various	Project focus is job brokerage activities but includes an element of training for those in employment. It will look to develop industry training courses, using specialist training providers where necessary. Project covers Thurrock and Havering, so it is important that the local authority is consistently represented. Has £141,818 available for skills gap training that will be partly funded by employer contributions. Project will run until March 2005. <i>LBBD role:</i> Project steering group membership
North East London Workforce Development Confederation	Care Homes Training Collaborative	Health and social care	Funded by London East LSC. The project looks to address quality and standards of care in care homes. An estimated 67 beneficiaries in the borough will achieve NVQ Level 2 with a further 17 working towards this qualification. Project will run until March 2004. <i>LBBD role:</i> Member of East Thames Lifelong Learning Partnership Steering Group

London Borough of Barking & Dagenham	Training & Networking for SMEs	SMEs in all sectors	<p>Funded from Objective 3 of the European Social Fund. Project did not run according to plan for a variety of reasons and costs were well below the initial bid. No qualifications and training element has been limited. Project now finished.</p> <p>LBBB role: Lead applicant responsible for project ensuring project delivery.</p>
Heart of Thames Gateway	Gateway to Industry	Manufacturing – SMEs	<p>1. Main focus – the workforce development elements of this SRB funded scheme include seminars, training needs analysis, training development plans, bespoke courses and NVQs. Has up to £800,000 over 4 years until March 2006 and can fund 45% of total costs of workforce development within its grant funding programme. Project also covers Havering and Thurrock.</p> <p>LBBB role: Local authority is represented on the HoTG partnership and officers liaise closely with GTI staff.</p> <p>2. Executive Excellence in Industry – LSC funded project providing high level professional development qualifications for managers (Havering are equal beneficiaries), with up to 30 beneficiaries. Total project cost is £195,720 and the project ends on 1 June 2004</p> <p>LBBB role: The authority is technically the applicant but it will be managed by GTI who will go out to tender for a project deliverer – CEME Ltd is a possibility.</p>

Heart of Thames Gateway	Embedded Basic Skills Programme	Various	This project will receive £250,000 from the LDA to deliver basic skills programmes in informal and supported environments, and is targeted at low waged as well as unemployed residents of Barking and Dagenham and Havering. It is unclear at this stage how and to what extent this will be achieved. <i>LBBB role:</i> Partner on Heart of Thames Gateway board.
London Borough of Barking & Dagenham	Empowering the Voluntary Sector	Voluntary and community sectors	This project runs until December 2004 but is already behind schedule due to the failure to recruit project staff. Total value is £386,248, with 45% coming from ESF and the bulk of the remainder staff match from the CVS. Aims to research skills needs in the sector and put together a programme to tackle these, as well as to establish a resource centre and pilot an employee volunteer programme. <i>LBBB role:</i> The local authority is the lead applicant.

APPENDIX B

Other bodies/initiatives impacting on workforce development

Lead	Sector	Notes & LBDD role
Centre for Engineering & Manufacturing Excellence	Manufacturing	CEME Ltd is a not-for-profit partnership aiming to provide a range of learning activities that build engineering, manufacturing and business capability in the Thames Gateway area. Courses will not be free but it will provide a centre of local expertise that can act as a delivery body for externally funded project bids.
Barking & Dagenham Chamber of Commerce	All sectors eligible for membership	The Chamber of Commerce is the key umbrella body for businesses within Barking & Dagenham, and looks to provide a range of benefits to members who fund the organisation. These include networking and training events and the dissemination of information.
Learning Villages	Aimed at local residents	Funded through Heart of the Thames Gateway SRB scheme with centres in Goresbrook, Thames and Valence wards. Aimed at all residents rather than employees although there would be nothing necessarily to preclude links.
Business Link	All businesses eligible	Provides a range of information and advice on workforce development and training issues but has no dedicated projects actually providing services. Managed by the Small Business Service.
London Borough of Barking & Dagenham	Department of Education, Arts & Libraries	Schools within the borough provide a range of vocational GCSEs, including manufacturing, construction and design and technology. The Education Business Partnership (EBP) links schools and business through a range of practical activities and projects. Trident Trust runs a work experience programme for the borough's pupils. DEAL also has responsibility for the Adult College and Barking and Dagenham Training Services. Early Years Development and Childcare Partnership co-ordinates a training plan and activity in the pre-school setting.

London Borough of Barking & Dagenham	Department of Housing and Health	Health & Consumer Services undertake a range of work with local businesses focusing on health and safety, food hygiene and other regulatory requirements which include training for workers. The Housing Department also run a Positive Action Training Highway (PaTH) for ethnic minority trainees working in the department.
East Thames Lifelong Learning Partnership	Various	Covers Barking & Dagenham, Havering and Redbridge and brings together a range of education and training providers, local authority departments, community groups and others. It looks to co-ordinate learning activities and has a dedicated workforce development sub-group.
East Thames Learning Hub	Various	Overseeing the Learndirect initiative in the borough including 'Learndirect for business' activities and the establishment of a 'premier business centre' to support the workforce development of SMEs.
Thames Gateway London Partnership	Skills Matrix	TGLP has recently taken over strategic management of two research projects (funded by the LSC) looking into future skills and training requirements by borough and sector.
Heart of Thames Gateway Partnership	Focus on manufacturing	SRB scheme funding a range of developments including CEME. Other areas directly relevant to workforce development are funding for GTI and the Learning Village Network which are designed to ensure that local residents access manufacturing opportunities.
Barking Lifelong Learning Centre	Public sector	The aim of the centre will be to provide a borough based facility for the provision of learning, from basic skills through to further and higher education. It will focus on public services such as health, social care, education and public sector administration.
Barking College	Various	Barking College is a key partner in both the Barking Lifelong Learning Centre and the Centre for Engineering and Manufacturing Excellence. It offers a range of courses to both employed and unemployed residents of the borough that impact upon workforce development. It is a Centre of Vocational Excellence in construction.
University of East London	Various	The key higher education institution offering a range of resources to learners and businesses in the Thames Gateway.

Draft London Borough of Barking & Dagenham & Support for the unemployed

Aims

This report sets out the key issues for the local authority in terms of supporting unemployed residents in accessing jobs. The key aims are to:

- enable those excluded from local and regional opportunities to access learning and employment
- raise the incomes of local people
- enable local employers to recruit the people they need.

Recommendations

1. The Council should explicitly recognise that supporting unemployed and low skilled residents is a regeneration priority through the contribution it can make towards raising incomes and thereby tackling social exclusion.
2. The Council should as a matter of standard practice incorporate appropriate employment/training conditions in all major contracts, having reference to best practice elsewhere.
3. As a matter of standard practice all procurement activities should demonstrate how they have considered the potential for developing local businesses to supply goods and services to the Council. The process should also be used to promote local recruitment initiatives.
4. The Council should pro-actively work to ensure that wherever possible local jobs are promoted as opportunities to local people, for example through projects such as JOBNET and the Welfare to Work for Disabled People. This should also consider the potential for pre-employment training activities.
5. All organisations looking to expand or locate in the borough should be informed of the Council's commitment to local recruitment.
6. There is a need to support work with partners to ensure the development of recruitment and training infrastructure in the public and voluntary sectors.
7. All projects impacting upon employment/training issues should automatically be referred to officers overseeing this area of work for comment so that the Council can develop a co-ordinated approach.
8. The Council should consider training and employment initiatives as a competing priority for the use of section 106 planning gain monies.
9. Existing support through the provision of basic skills, IT and ESOL needs to be kept under review in terms of accessibility and needs to be linked in to all training and employment initiatives.
10. The Council should look to develop initiatives that support key industry sectors (beginning with construction) and priority groups (beginning with disabled people).

1. Introduction

1.1 This draft strategy sets out key issues for the local authority in terms of supporting unemployed residents in accessing jobs. In particular it provides:

- a rationale for local authority involvement
- an analysis of the unemployed and economically active of working age
- an outline of the range of existing initiatives impacting upon unemployed residents in the borough and
- recommendations for future action.

1.2 This document should be viewed in conjunction with the accompanying workforce development strategy, which addresses issues surrounding the support that the local authority might look to provide for those already in employment. Together they address key issues for the local authority in how and why it should be involved in labour market interventions.

1.3 It should be acknowledged at the outset that the bulk of support provided to the unemployed is delivered through Job Centre Plus. There are a range of New Deal initiatives, some voluntary, that look to tackle the barriers to employment faced by specific groups. The purpose of this paper is to acknowledge that, while Job Centre Plus should rightly be seen as the main source of support to unemployed residents, the community leadership role of the local authority, its purchasing power and regulatory role provide it with opportunities to significantly add value to New Deal initiatives. If this is to be possible then an initial part of the Council's work on employability will need to establish the success of New Deal initiatives locally.¹

1.4 Additionally, a key factor in supporting people into work which is not explicitly addressed relates to the availability of local, affordable childcare places. The role of the Council in this is crucial and this area warrants further detailed analysis on its own.

2. Reasons for local authority involvement

2.1 The Local Government Act 2000 has placed a duty on local authorities to promote the economic, social and environmental wellbeing of their areas. The key overarching document concerning economic development and regeneration for the borough is the regeneration strategy. All work undertaken by regeneration staff needs to make some contribution towards delivering the aims and objectives set out in this document.

¹ The Audit Commission, in *Economic Regeneration Performance Indicators: Detailed Definitions* (March 2003), recommends the local collection of figures on the proportion of those registering for New Deal who are in employment or education six and 12 months later.

2.2 The key issues in this area are set out in the strategy under education and skills² where the aims and relevant actions include:

- removing the barriers currently preventing groups within the community from taking up learning opportunities.
- providing the highest quality training in locations that are easily accessible to all residents.
- promote access to the labour market by residents who are excluded from it.
- enable local residents to access job opportunities which are available or will arise in the future at all levels, not just in low positions.
- encourage and develop the voluntary sector capacity to deliver learning and training projects.
- encourage local employers to provide high quality work-based training which allows residents to progress their careers throughout their working lives.

2.3 The Neighbourhood Renewal Strategy looks to add value in this area³ and has as key priorities:⁴

- to support engagement of those who need to be encouraged to return to learning and hard to reach groups to enhance their employment prospects.
- to improve the skills base within the borough by improving take up of basic skills training and encourage further training and higher education.
- to raise basic skills levels to enable local people to realise their potential in the labour market to increase their incomes and choice of jobs.
- to improve the supply of local labour that is trained to support existing and new businesses.

2.4 At a general level it is clear that the government sees work as an important instrument in tackling social exclusion. For this reason alone workforce development initiatives are worthy of local authority support and in accordance with the overarching aims of the regeneration strategy, not least through helping to raise the incomes of local residents. Section 6 sets out some key ways in which the local authority can have an impact in this area, through its position as a major procurer of goods and services and regulatory role in the planning system, as well as through its role as a major employer in its own right.

2.5 Each of these areas provide opportunities for the local authority to have an impact on local unemployment and, crucially, the skills of residents. Whilst unemployment is relatively low when compared with inner London boroughs the promotion of local employment initiatives can provide a key tool to tackle social exclusion in the borough.

² London Borough of Barking and Dagenham (2001), *An Urban Renaissance in East London*, pp12-13.

³ The section below outlines some NRF-funded projects that are relevant.

⁴ London Borough of Barking and Dagenham (2002), *Local Neighbourhood Renewal Strategy 2001-2004*.

2.6 The Council is well placed to co-ordinate activities in partnership with other agencies, building on the work of Job Centre Plus. It is also worth emphasising that there are a range of funding streams that support such activity, most notably those run by the London Development Agency (LDA) and Learning and Skills Council London East (LSCLE).

2.7 The promotion of local employment for local residents also has a number of other benefits, not least of which is that this minimises the pressures on the transport system and thereby contributes towards sustainable development. Reduced travel times can also improve the quality of life for employees. Recruiting locally also ensures that the workforce better reflects the local area and hence is more responsive in terms of service delivery.

2.8 For these reasons the Council should explicitly recognise that supporting unemployed and low skilled residents is a regeneration priority through the contribution it can make towards raising incomes and thereby tackling social exclusion.

3. Local unemployment

3.1 The accompanying workforce development strategy, which looked at support for those already in employment, contained a range of information about the low skills base of local residents. It also included historic information on unemployment in the borough, showing that over the period 1996-2002 the level of unemployment has been consistently above that in London as a whole.

3.2 While unemployment in Barking and Dagenham has not historically been as high as in Inner London, nevertheless there are pockets in the borough where the figures are comparable. Table 1 below shows the number and rates of ward level unemployment in May 2003, indicating that there were 3,408 claimants, a rate of 5.2% in that month, a figure which is just above that for Greater London (5.1%). At ward level the highest rates were seen in Gascoigne (10.3%), Abbey (8.3%) and Thames (7.9%).

3.3 The fact that there are wards where unemployment is high is emphasised when looking at male unemployment, which reached 12.5% in Gascoigne. Rates were also high in Thames (9.8%), Abbey (9.8%), Cambell (7.1%), Village (6.9%), Heath (6.9%) and Fanshawe (6.2%). The highest rates for men were in the youngest age groups, these being 16-19 (11.4%) and 20-24 (7.2%). Over a third of claimants (36.8%) had been unemployed for over six months and of these a total of 530 (15.6%) had been unemployed for over a year.

3.4 It is clear that for some groups and in some wards unemployment is a major problem even when, relatively speaking, this is not the case for the

borough as a whole. This is also the case for groups where data is not always readily available at the local level but who are known to suffer higher than average unemployment rates. This would include people with disabilities, black and ethnic minority communities, lone parents, homeless people and ex-offenders, among others. There is a need for a local assessment of the needs of these groups, with the latest Census providing much useful data in the near future.

Table 1: Claimant count unemployment by ward, May 2003⁵

Ward	N	%
Abbey	374	8.3
Alibon	142	5.6
Cambell	245	5.8
Chadwell Heath	143	3.3
Eastbrook	133	2.9
Eastbury	110	4.2
Fanshawe	195	5.3
Gascoigne	372	10.3
Goresbrook	134	4.3
Heath	226	5.4
Longbridge	124	3.0
Manor	107	4.3
Marks Gate	41	3.7
Parsloes	150	5.2
River	157	4.7
Thames	194	7.9
Triptons	142	3.5
Valence	149	4.0
Village	270	6.0
LBB&D	3,408	5.2
<i>Greater London</i>		<i>5.1</i>

3.5 It should also be noted that the figures above relate to the claimant count. This is an administrative count of the number unemployed and receiving benefits rather than a true measure of the number of people without work but seeking employment. The wider ILO⁶ measure, which is also preferred by central government, showed that unemployment in Barking and Dagenham⁷ was 6.4% over March 2001 to February 2002, compared to a London rate of 6.6%.

⁵ GLA/ONS claimant count figures. It should be noted that these are calculated on the basis of 1991 boundaries and do not include Becontree.

⁶ International Labour Organization. This measure is based on those looking and able to take up work within a specified period of time and is unrelated to benefit receipt.

⁷ Over this period the claimant count rate ranged between 4.1% and 4.6%.

3.6 This difference in the administrative count and the ILO rate of unemployment is also emphasised when looking at recipients of Incapacity Benefit (IB)⁸ who are of working age and many of whom will look to return to employment. In August 1999, when there were 3,494 unemployment claimants there were 7,625 claimants of incapacity benefit. Research confirms that individuals moving on to IB see “many advantages to working, including economic reasons and to avoid boredom, depression or feeling isolated ... [but] faced a number of inter-relating barriers imposed by their health and other factors, such as skills and experience, lack of confidence and motivation”.⁹

3.7 It is also crucial to appreciate that unemployment does not represent a stock measure. Throughout the year there is a continuous flow into and out of unemployment. Given the low level of skills in the resident workforce it is apparent that there is an opportunity for the local authority to make an impact in terms of supporting residents into employment that contains a component of upskilling. The London Skills Survey¹⁰ confirmed that respondents with the lowest levels of qualifications have the longest unemployment spells, and it is also the case that they suffer more frequent bouts of unemployment. This has particular relevance to Barking and Dagenham, given the relatively low skills base of residents.

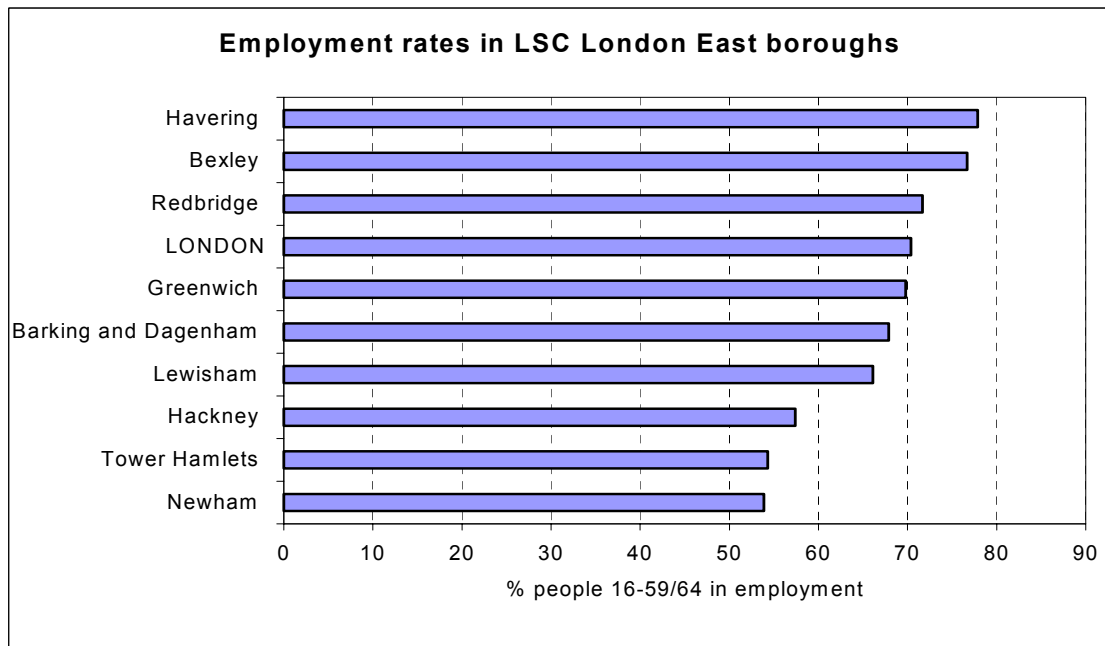
3.8 A useful comparative measure that accounts for all forms of economic inactivity, including the numbers on IB, is the proportion of the population aged 16-59/64 in employment. The chart below shows figures on this measure for the LSC London East area boroughs and for London as a whole. This reveals that 67.9% of people in this age group are in employment in Barking and Dagenham, leaving the borough middle-placed in London East. However, this rate is 2.5% below the London rate of 70.4% and of the Outer London boroughs only Brent had a lower proportion of people in employment.

⁸ This is paid to those of working age with sufficient National Insurance contributions who have exhausted Statutory Sick Pay and are incapable of work because of sickness or disability.

⁹ Department for Work and Pensions (2001), *Moving between sickness and work*, p2 (DWP Research Report No. 151).

¹⁰ London Skills Forecasting Unit (2002), *London Skills Survey 2001*.

Chart 1



Research findings

3.9 In developing responses to local skills and employment issues recent research findings provide some important information that will need to be considered. The London Skills Survey¹¹ found that almost half of unemployed people (47%) believed that the main reason for unemployment was the lack of either suitable or available job opportunities, while a further 13% considered that they lacked the relevant skills, qualifications or experience. Additionally the survey found a strong correlation between the previous occupation of the unemployed and the areas in which they are seeking work. Action in this area by the local authority could therefore help to expand the effective supply of local jobs along with training and upskilling components.

3.10 Some issues relevant to the demand for labour are revealed by the London Employers Survey. This found that the majority of jobs growth (55%)¹² was to be found in firms employing less than 10 employees, indicating the need to successfully engage with this sector of the business community. The survey also found that word of mouth was the most important recruitment channel to employers, with twice as many employing this mechanism than the Job Centre

¹¹ London Skills Forecasting Unit (2002), *London Skills Survey 2001*, p27.

¹² London Skills Forecasting Unit (2002), *The Competitiveness and Skills of the London Economy: The results of the Employers' Survey 2000*, p38.

(35% against 18%).¹³ Again these factors have implications for the types of projects that should be supported.

4. Local services & initiatives

4.1 There are currently a range of sources of support outside of Job Centre Plus available to local unemployed people in the borough in relation to finding employment or upskilling them for work. It is clear that literacy, numeracy and ESOL skills are critical in finding and retaining employment. The local authority supports these in a range of ways, most notably through the Adult Basic Skills Initiative, Barking and Dagenham Training Services and the Adult College of Barking and Dagenham. There are also projects in these areas that have received funding from the Neighbourhood Renewal Fund (NRF) and the LDA. Due to its crucial importance **basic skills provision (including IT and ESOL) needs to be kept under review in terms of accessibility and linked in to all training and employment initiatives.** External funding can play a key role in further developing existing good practice within the borough.

4.2 In addition the Learndirect initiative in the East Thames area¹⁴ delivers a substantial number of basic skills courses in a variety of settings. A range of advice and guidance services is also available through Neighbourhood Learning Centres: UK Online centres, funded through the Department for Education and Skills and managed by DEAL and the Learning Village network, which is SRB funded and the responsibility of Barking College.

4.3 The important point to recognise from these is that it is vital that initiatives supported in this area can link into schemes that have employment objectives in terms of getting local people into local jobs. It is also clear that the provision of basic skills training should form a component of any training initiative as a matter of good practice.

4.4 The Appendix to this report outlines some of the key initiatives and organisations delivering services supporting unemployed people. They include a range of activities and many are still in the process establishing their presence in the borough. This strategy and the accompanying Workforce Development Strategy indicate that, while there is much going on focusing on the skills and employment agendas, the activities are far from comprehensive. The potential for greater impact is apparent when this is viewed in conjunction with the various funding streams that can support these activities.

4.5 In addition, the links between the projects and activities are in many ways not well developed or co-ordinated, if only for the reason that many are still being

¹³ London Skills Forecasting Unit (2002), *ibid*, p45.

¹⁴ This is known as the East Thames Hub and covers Barking and Dagenham, Havering and Redbridge.

established. There is much work that is undertaken within the voluntary and community sectors that is currently not well mapped, although the sector itself is currently taking a lead in tackling this problem. The potential to develop work in this area and ultimately to link unemployed residents in to accredited training opportunities or employment with an upskilling component clearly exists. A prerequisite to this is the mapping of opportunities on an ongoing basis.

5. Some responses in other London boroughs

5.1 This sections briefly outlines some of the sources of support given to unemployed residents in four other London boroughs. They have a wide spread of unemployment rates and are therefore useful comparators. Bexley has an ILO unemployment rate (2.6%)¹⁵ well below that in Barking and Dagenham, Waltham Forest (6.9%) and Greenwich (7.4%) have fairly comparable rates while that in Brent (9.4%) is clearly above the corresponding figure in Barking and Dagenham.

5.2 *Bexley* utilises SRB funding to support a range of specialist training activities for manufacturing businesses. This includes grants towards training and the commissioning and delivery of short training courses in areas such as fork lift driving, first aid and stores management. Much of this supports individuals already in employment but through this activity there is direct work with employers in the borough. Despite a very low level of unemployment the borough uses these and other links to support a local labour scheme that helps unemployed residents access employment opportunities. Bexley is a Beacon Council in the area of support for businesses of which this work forms a part.

5.3 *Waltham Forest* has a dedicated Employment and Training Group. The work of this group supports a Vocational Training Initiative that delivers a range of pre-vocational taster courses and training at NVQ Levels 2 and 3 with an emphasis on care, childcare and IT and business administration. This receives local authority funding that is matched with SRB, ESF and other external funding and provides benefits, travel costs plus a small allowance for trainees recruited from among the long-term unemployed.

5.4 The local authority also supports the Leyton and Walthamstow Job Banks which provide a range of support services to unemployed residents in the borough's most deprived wards, including linking with employers moving into the borough or already based there to aid in their recruitment activities. The job brokerage role played by the job banks is very similar to that shortly to be offered by JOBNET in Barking and Dagenham and has operated successfully over a number of years.

¹⁵ Rates relate to the period March 2001 to February 2002. The figure for Bexley is a rough estimate.

5.5 *Greenwich* supports a local labour scheme designed to maximise job opportunities for local people and to secure business opportunities for local companies. This is funded by the local authority and a range of other external sources including SRB and ESF. The scheme offers job opportunities and skills matching, paid work experience, help with CV preparation, training for specific employment opportunities and a range of other services helping local people into local jobs.

5.6 *Brent* has a Social Inclusion Unit whose SRB-funded work focuses on assisting residents in the Harlesden area to overcome barriers to employment. The Unit undertakes a range of functions: it commissions a range of training, provides work placements with local employers along with a training bursary of £150 per week, gives help with childcare costs, interview techniques and the production of CVs. It also provides grants to voluntary sector organisations that provide similar services to support unemployed residents.

5.7 The common theme from the above boroughs is that there are dedicated teams or units working on the area of employment and skills and work appears well co-ordinated. This strategy and the accompanying one focusing on upskilling those already in employment represent in effect the first steps in developing a coherent approach in Barking and Dagenham. **It is clear that to develop a co-ordinated approach all projects impacting upon employment/training issues should automatically be referred to specified council officers for comment.**

6. Areas for future action

6.1 The introduction to this report outlined the key areas where the local authority has the opportunity to have an impact on local skills and employment, mentioning its role as a procurer of services, its regulatory role within the planning system and the fact that it is a major employer in its own right. These are addressed briefly in turn.

Achieving community benefits through contracts

6.2 Recent research conducted on behalf of the Joseph Rowntree Foundation (JRF) has concluded that “contrary to common perceptions, the inclusion of community benefits in procurement is not prohibited by either the Government’s policy or the EC rules”.¹⁶ Subject to certain caveats, therefore, **the Council should include employment/training conditions in contracts as a matter of standard practice.** Where there are best value considerations, the report makes clear, “community benefit matters (including labour force matters) may become a part of best value procurement where they are supported in the

¹⁶ Macfarlane, R. and Cook, M. (2002), *Achieving community benefits through contracts: law, policy and practice*, p1 (Joseph Rowntree Foundation Findings December 2002).

Community Strategy, Best Value Procurement Plans or other significant policy statements”.¹⁷

6.3 It is apparent that a commitment to the above would need the active involvement of officers dealing with procurement and legal affairs and the inclusion of employment and training considerations in the plans mentioned. However, given the necessary commitment the next stage is to move on to practical considerations and best practice elsewhere, for example at what stage of the tendering process these requirements are placed. There are existing examples¹⁸ of how planning obligations in construction that include a contribution towards construction training and the requirement for contractors to take reasonable steps to make training placements available can be implemented. This includes detailed information on, for example, the number of training weeks that can be expected from contracts dependent on the scale of the development.

6.4 While the examples have been focussed on construction, there is no reason why activities should be restricted to that area of employment. **The Council should consider training and employment initiatives as a competing priority for the use of section 106 planning gain monies** to support local activities. It should not be assumed that work in this area will meet resistance. Another JRF report found that “developers interviewed felt that such agreements were good public relations and also helped address concerns about skill shortages”.¹⁹

6.5 If the options listed above are considered, then at the same time it is also essential to recognise and take action on the supply side. This requires the promotion of employment opportunities, pre-employment training and job matching, among other things. As a JRF report outlined, “providing appropriate recruitment and training programmes and a rapid job-matching service are important for achieving success”.²⁰ It is clear that **there is a need to work with partners to ensure the development of recruitment and training infrastructure in the public and voluntary sectors** to give the aims set out in this strategy practical expression.

6.6 Even at a basic level there is much that can be done to ensure that local businesses and employees benefit from the purchasing power of the local authority. For example, as part of a European-funded project procurement officers from the local authority have taken local businesses through all aspects of the procurement process. This kind of activity needs to be supported and

¹⁷ Macfarlane, R. and Cook, M. (2002), *ibid*, p3.

¹⁸ West London Construction Training Planning Forum (2002), *Best Practice Guidelines for Construction Training Opportunities on Commercial, Regeneration and Housing Association Development Schemes*.

¹⁹ Macfarlane, R. (2000), *Using planning agreements to reduce social exclusion*, p1 (Joseph Rowntree Foundation Findings March 2000)

²⁰ Macfarlane, R. (2000), *Local labour in construction: tackling social exclusion and skill shortages*, p1 (Joseph Rowntree Foundation Findings November 2000).

developed on an ongoing basis and **all procurement activities should demonstrate how they have considered the potential for developing local businesses to supply goods and services to the Council.**

6.7 In addition it is reasonable that at a minimum **all businesses looking to locate within the borough who have some contact with planning or regeneration staff or the networks in which they are involved should be informed of the local authority's support for local recruitment initiatives** and the assistance that can be provided by projects or organisations within the borough.

Local authority employment

6.8 The local authority is, of course, a significant employer within the borough and, through its recruitment practices, can have a direct impact on employment. The Council have recently agreed that vacancy data be forwarded to JOBNET and that there should if possible be a corporate presence at that project's launch and other events. It is also expected that in due course similar joint work will be undertaken with the co-ordinator of the welfare to work for disabled people project. However, **there needs to be a clear commitment to ensure that local jobs are promoted as opportunities for local people wherever practicable, including through the provision of pre-employment training.** Both of the projects above are good starting points. Monitoring data over time will establish whether this is having a positive impact in terms of local employment.

7. Conclusion

7.1 It would fair to conclude that across the board there is a recognition that local regeneration and mainstream funding should benefit local people in terms of allowing them to develop their skills and to secure local employment. To take a recent local example, the Dagenham Dock Vision Implementation Strategy has among its aims "encouraging local employment, involving local people, schools, colleges and universities in education and training".²¹ The document also makes clear that there is a possible net employment gain in this area of around 3,000 jobs.

7.2 However, it is not clear how this aim is to have practical expression other than through local people incidentally applying for and obtaining jobs. It is clear that this must be directly addressed, since as recent research work has shown there can be "a relatively high incidence of hard-to-fill and skill-shortage vacancies co-existing alongside relatively high unemployment levels in some

²¹ London Borough of Barking and Dagenham/London Development Agency (2002), *Dagenham Dock Vision Implementation Strategy: Executive Summary*, p3.

metropolitan areas,²² with this already said to apply to the LSCLE area. **The Council therefore needs to commit itself to actively engaging on this agenda through its contracting and regulatory roles, through its position as a major employer and through its crucial role in leading local partnership activities.**

7.3 There are a range of funding sources for projects to run in the borough, not least those funded by Learning and Skills Council London East and the London Development Agency. The latter has recently aided the establishment of a London Riverside Action Group that is assessing potential developments in Barking and Dagenham and Havering. This in turn has a skills and employment sub-group on which the Council are represented, along with Havering, Job Centre Plus, LSC London East and others.

7.4 The group is looking to ensure that developments in London Riverside and the wider Thames Gateway benefit residents across the whole of both boroughs, both employed and unemployed. It is currently working towards the development of a Skills and Employment Programme Development Framework, with the ultimate aim of commissioning projects in the area and for which the LDA has a dedicated budget. The aims set out in this are in accord with the aims in this document. **However, even if this were not the case the Council could have significant impact through the activities outlined in this strategy which are in accord with the commitment to tackling social exclusion.**

7.5 The issue of skills for both the employed and unemployed has moved further up the national agenda and a national skills strategy to be published shortly is expected to rationalise some £2 billion worth of training initiatives. There is also an emerging network of Sector Skills Councils which are developing skills assessments of their respective industries and which should inform the development of future projects in the borough.

7.6 The Council should acknowledge that, in order to make a real contribution towards tackling social exclusion, successful co-ordination and practical implementation of the issues outlined will require additional financial and human resources.

7.7 In addition to the various recommendations set out in this report **the Council should also look to work with partners to develop initiatives that support the key industry sectors** identified by LSC London East²³:

- construction (this should be a priority given the anticipated physical regeneration in Barking Reach and South Dagenham)

²² Institute for Employment Research, *Exploring Local Areas, Skills and Unemployment: Exploratory Data Analysis at Local Area Level*, p3 (Department for Education and Skills Research Brief RBX 06-02).

²³ There are already local activities that have begun this, for example, Barking Lifelong Learning Centre and the Gateway to Health and Social Care.

- cultural and creative industries
- financial and business services
- health and care
- hospitality and catering
- manufacturing
- transport and logistics
- public administration
- retail
- voluntary and community.

7.8 The Council should also seek to resource cross-cutting research into the local learning and employment needs of key priority groups disadvantaged in the jobs market. Among these are:

- people with disabilities (this should be the priority given existing work and the numbers of residents potentially affected)
- lone parents
- black and minority ethnic groups
- men over 50
- young people
- ex-offenders
- refugees and asylum seekers
- homeless people
- drug and alcohol users

This would again allow the identification and development of initiatives and allow the Council to proactively engage with the agendas of key funders such as LSC London East and the LDA.

Support for the unemployed in Barking and Dagenham

Project/organisation	Description of activities
<p><i>Barking & Dagenham Training Services (B&DTS)</i></p>	<p>This is part of the Department of Education, Arts and Libraries and offers a variety of opportunities to young people aged 16-25, including Modern Apprenticeships, NVQs and lifeskills courses funded by LSC London East. Among the vocational courses are construction, painting and decorating, care and early years care and education. B&DTS offers help and support to local businesses that want to train and employ young people and training for unemployed young people to help them secure employment. Some trainees on Modern Apprenticeship programmes are given placements through the Housing and Health Department. All learners have access to basic skills and ESOL support as appropriate to their needs and programme. B&DTS also works in partnerships with local care and early years employers to provide NVQ training and assessment to their employees that are aged 25+ and outside of the LSC funding remit.</p>
<p><i>Adult College of Barking and Dagenham</i></p>	<p>While the focus of recent national strategies has been on Level 2 and 3 qualifications B&DTS also provides crucial support to young people below these levels. The foundation level and life skills courses that are run need to continue to be recognised as valuable by the local authority and external funders. These courses are available to potentially disaffected young people who may not achieve Level 2 qualifications, giving them an attachment to the labour market, among other things.</p> <p>The Adult College, supported by the local authority, runs a range of courses that have relevance to jobs and employment although the latter is not the College's focus. These include basic skills courses, some available free to women returners, IT courses and vocational courses in counselling and pre-school practice, among others.</p>

<i>Renew Friends</i>	<p>The local authority has supported a successful bid for Objective 2²⁴ European Social Fund (ESF) monies, matched by LDA funding, that will provide opportunities for unemployed residents to obtain an NVQ Level 2 in Electrical and Electronic Servicing. This will involve them in the recycling of a range of 'white goods' which can then be offered for resale across London and further afield.</p>
<i>JOBNET</i>	<p>The JOBNET project is funded by the Heart of Thames Gateway and will shortly be launching in the borough. It will look to provide a job brokerage service to people either looking for a job or a change of work, including the provision of pre-employment training. It will have a team of professional advisers who will help people to make contact with local employers and training providers, produce a CV, prepare for an interview and improve their skills. It will have an outreach element and attempt to develop links with employers to ensure that they register jobs and look to recruit locally.</p>
<i>ESOL Plus</i>	<p>The local authority has recently recruited an ESOL Development Officer, funded through NRF and monies from the LDA. The key task for this individual is initially to map the range of provision available in the borough, and to commission training to fill in any gaps. The project will also look to ensure that individuals benefiting from training can secure employment.</p>
<i>Gateway to Health and Social Care</i>	<p>NRF is funding the establishment of a project in the borough that will look to enable local people to access jobs in the health and social care sector. A co-ordinator will develop the project further and promote career options in this sector to school pupils in the borough, as well as the local community. Although there is at present no direct training provision the activities of the project will be co-ordinated with the work of the others outlined here. It is hoped that in due course external funding will allow a much higher level of activity, including work promoting the project within the sector itself.</p>

²⁴ Objective 2 status is given to areas facing structural decline. In Barking and Dagenham the pre-boundary change wards of Goresbrook, River and Thames are covered.

<p>Social Services</p>	<p>As well as supporting the Osborne Partnership the Social Services Department has participated in the WORKSTEP programme obtaining a contract with the then Department of Employment. This subsidises six visually impaired people to work in Sheltered Workshops out of the borough. The Department has also provided a number of sheltered employment placements in various Barking and Dagenham departments offering subsidised employment opportunities to disabled people, although there is only one placement on the programme currently. A welfare to work co-ordinator, funded through NRF, will provide a focus for initiatives in this area.</p>
<p>Information Advice Guidance</p>	<p>The East Thames Information Advice Guidance (IAG) service, funded through the LSC, offers free information and advice on learning and work opportunities through a network of local venues in the borough. This includes one-to-one work with an adviser that can include help in designing a CV, filling in an application form and preparing for an interview. A recent evaluation of East Thames IAG noted that “by re-stimulating discouraged workers, realigning the demand and supply of labour and increasing the efficiency of job search, guidance has been able to reduce unemployment”.²⁵ While not directly providing training or a route into employment it is apparent that the IAG service needs to be closely linked into to all activity that does accomplish these ends.</p>
<p>Barking Lifelong Learning Centre</p>	<p>The centre, when finished, will provide a borough based facility for the provision of learning, focussed on public services (health, social care, education and public sector administration). Among the related aims are to provide a one stop facility for enhancing employability and to provide the core base from which to feed learners to employers and other educational and support organisations. The Centre will act as a base for some the projects outlined above.</p>
<p>Connexions</p>	<p>The London East Connexions Partnership has a local management group overseeing services to young people in the borough, delivered through a range of personal advisers. One of its key priorities is to reduce the number of 16-18 year olds not engaged in education, training or employment. The Council’s Youth Support and Development Service is a key partner.</p>

²⁵ East Thames IAG (2002), *September 2002 Evaluation of the East Thames IAG*, p5.

Voluntary sector

There are a range of services provided by voluntary organisations in the borough that assist unemployed residents to gain skills or training that can be valuable in accessing employment opportunities. Providers include organisations such as the Disablement Association of Barking and Dagenham (DABD) and Lifeline Community Projects, which provide training in a range of areas as well as acting as community venues for Learndirect. The Osborne Partnership has an employment network that looks to place people with learning disabilities in employment and training opportunities, while the Volunteer Bureau provides opportunities that can lead to employment. Harmony House has also long been a provider of courses, particularly to refugees and asylum seekers, among others.

Voluntary organisations have the advantage of being 'closest' to the most disadvantaged groups and several of the smallest organisations in the borough were recently successful in obtaining ESF funds from the Association of London Government under their *Fast Forward Grants* programme. Another ESF project, led by the local authority²⁶ will look to build capacity in these and other voluntary sector groups so that they can more effectively contribute towards tackling unemployment and social exclusion. The Council has also secured funding from the LDA to establish a network of voluntary sector training providers in the borough.

NRF funding has been made available to DABD to recruit a Welfare to Work Co-ordinator whose role will be to draw together relevant information and partners interested in ensuring that people with disabilities are able to obtain and keep well paid employment. A steering group for this project includes a range of local partners, including the local authority.

²⁶ Empowering the Voluntary Sector. The project manager is line managed by the director of Barking and Dagenham Council for Voluntary Service.

THE EXECUTIVE**23 SEPTEMBER 2003****JOINT REPORT OF THE DIRECTORS OF FINANCE AND CORPORATE STRATEGY**

IT FOR MEMBERS	FOR DECISION
<p><i>This report is submitted to the Executive as there is a requirement to update Members on progress with the Members' IT Project and to seek a decision on a range of issues within the purview of the Meeting.</i></p>	
<p><u>Summary</u></p>	
<p>This report provides an update on the number of Members currently connected to the Council's computer network in order to access e-mail, Intranet and Internet facilities. The report outlines the higher than expected connection charges associated with heavy usage of the facilities and suggests three options to reduce connection charges for the future.</p>	
<p>The report also identifies potential savings in the central printing budget, as part of the three year programme of cuts, which can be achieved through a reduction in the number of hard copies of agendas and increased use of agendas on the Intranet / Internet; and savings which can be made in computer training arrangements.</p>	
<p><u>Recommendations</u></p>	
<p>The Executive is asked to agree:</p>	
<ol style="list-style-type: none"> 1. To encourage the balance of Members to be connected to the Council's network in order to improve electronic communications, and in so doing to recognise the need to make savings to central printing budgets, as part of the three year programme of cuts; 2. The take up of the European Computer Driving Licence qualification as the means for training of Members in the use of computer and software provided; 3. Option A, as detailed in the report as the preferred option to move from ISDN to ADSL connection for all Members to the Council's computer network and thereby reducing usage costs. This is a spend-to-save proposal with capital investment required that will result in sustainable, predictable revenue savings on call and print charges. 4. Subject to 3 above, agree the removal of telephone handsets provided when ISDN lines were installed. 	
<p><u>Reason</u></p>	
<p>The above recommendations will lead to savings being generated through a reduction in central printing costs, computer connection charges and training arrangements.</p>	

Contact Officers: Jay Tailor	IT Support Services Manager	Tel: 020 8227 2695 E-mail: jay.tailor@lbbd.gov.uk
John Dawe	Democratic and Electoral Services manager	Tel :020 8227 2135 E-mail: john.dawe@lbbd.gov.uk

1 **Background**

- 1.1 In October 2001, funding was approved for a project to provide all Members with computing facilities for use at home. The scope of the project was to provide the following to each Member:
- A laptop PC
 - A multi-function printer/scanner/fax machine
 - A Cisco Router
 - An ISDN line from British Telecom
 - A telephone handset
 - Microsoft Office software for Word Processing, Spreadsheets and Presentation Graphics
 - Microsoft Outlook software to provide access to the Council's e-mail and diary system
 - Training to use the above software
 - Further training up to an officially recognised qualification level, the European Computer Drivers' Licence, to those Members who wanted it
- 1.2 Some Members have requested additional equipment over and above that which was approved for the project, such as personal organisers or colour printers. These requests have been turned down as they were outside the scope of the project.
- 1.3 With local elections due in May 2002, it was considered imprudent to proceed with a major rollout of the technology until the election results were known. However, ten Members who had previous experience of PC usage were selected to pilot the arrangements prior to the elections.
- 1.4 Although quite an expensive solution in terms of up-front cost, the means of communication with the Council's computer network was carefully chosen. Using ISDN (Integrated Services Digital Network) from BT and a router in the Members' homes allowed communication to be simply effected without using the public Internet.
- 1.5 The solution makes a secure connection automatically when required (only allowing devices known to the system to connect) and terminates automatically after 6 minutes if the line is not being used. The effect is like being located in one of the Council's office buildings, albeit with slower access to the services. However, access can be provided to all the facilities available to staff, including a route to the Internet via the Council's safe connection through its Internet Service Provider.
- 1.6 The communication is a direct connection between the Member's PC and a router at the Civic Centre. This is important as exposing our network to the public Internet makes the Council vulnerable to hackers.

- 1.7 The ISDN line attracts a quarterly rental of £99 and can also be used for inbound or outbound telephone calls (via the handset provided) simultaneously with the data connection. The connection time for voice and data use is chargeable (as a normal telephone line would be) at a cost of 4.2p per minute. A notional cost of £200 per Member per year was identified in the report as a likely charge for the connection time to collect and deliver e-mails, equivalent to 13 minutes per day.

2. Current Position

- 2.1 Forty-four Members currently have a PC in their home. Members who have chosen not to receive any IT equipment are unable to access any of the councils Intranet services, including agendas and minutes on line, as well as increasingly being outside of the Council “communication loop” without access to e-mail.
- 2.2 A questionnaire was devised in conjunction with the then Lead Member Councillor Porter and Councillor Barns and was sent (via Member Services) to all Forty-four participating Members to ascertain their views of the success of the project. A copy of the questionnaire is attached as appendix 1. An analysis of the results is attached as appendix 2.
- 2.3 The principle behind this project clearly centres on improving the speed of direct communications with Members. The problems of more traditional forms of communication were highlighted as part of the recent scrutiny review of the Scheme of Delegation, where it was concluded that in order that Members can undertake fully their duties as elected representatives of the community to which they serve, there needs to be a review of the forms of communication used by officers. E-mail was singled out as the best option.

3. Agendas and Minutes Online

- 3.1 Obviously, as with any project of this nature, it is very important to consider the long-term cost benefits. Members will be aware of the need for all service areas to make cost savings over the next three-years. The printing budget for Democratic Support is one area where Members’ have already accepted that significant savings will be required over the next three years (a cut of the order of 40%).
- 3.2 Last year, Democratic Support purchased a a new IT package known as Modern.Gov, with the initial aim of allowing Council agendas and minutes to be easily accessed via the Web. All Members who are on line can directly access committee papers. Therefore the proposal is that in future only Members appointed to a committee will be provided with hard copies of agendas, with other Members and officers having the option to download required agendas and reports from the Intranet.
- 3.3 To give Members’ an idea of the costs involved, if the Executive agenda were only to be made available in hard copy to the Members of the committee, attending officers, and those Members not on e-mail, together with a number of public copies, then based over a year a saving in the order of £15,000 could be achieved. For call-in purposes all other Members would have the facility to view and print reports via their own laptops and printers provided. In the majority of instances Members will only need to view a particular report on screen and print off a copy if required.

- 3.4 If this practice were adopted across the political structure then significant level of savings required in the printing budgets over the next three years could be achieved. In the circumstances the Executive is asked to encourage those Members who are still yet to participate in the use of IT supplied by the Borough.

5. Training

- 5.1 The pilot Members used one-to-one coaching from an external source, to bring them up to speed on the use of the facilities. This was expensive but mainly well received because it could be timed to suit individual Members.
- 5.2 The balance of the Members used a more cost-effective arrangement; using the same external training company as is used for training officers, and involving a classroom environment of up to eight trainees at a time. The training was still well received but unfortunately less available to suit the times that the Members could attend, which has caused some adverse comment.
- 5.3 The European Computer Driving Licence is being piloted by the Social Services Department as a qualification for all staff who use computer technology. This will be extended to other departments of the Council in due course to ensure that the maximum return is gained from the investment in computer systems. The cost of providing this for Members can be met from existing resources.

5. Connection Costs

- 5.1 Despite the fact that connection time had been identified as an additional charge in the original report to the Executive, many Members were under the impression that the use of the facilities was free (i.e. unlimited access at a fixed price per month). With hindsight, it is apparent that staff installing the technology in Members' homes should have reminded them of this fact.
- 5.2 The Guide for Members on the Use of Resources, Facilities and Equipment has since set out some general principles relating to home computer equipment, such as:
- In general the equipment is provided for use by Members for Council business.
 - Members should not allow unreasonable use of any equipment by family or friends.
 - The telephone line may be used for incoming calls outgoing faxes, but not for outgoing calls [the Members' basic allowance , as per national guidance, is intended to cover incidental costs such as the use of Members' homes and telephones].
 - Members' may use the computer for personal emails and the Internet for personal as well as Council purposes provided they are accessed through the Council system as installed by the IT system.
 - Members should keep a note of any fax calls in case of later query.
 - Members should note that any bills, which are considered to be excessive, will be brought to the attention of the Chief Executive who will liaise with the Member concerned and seek reimbursement for any exceptional personal usage.

- 5.3 The amount of use that some Members have made of the facilities has come as a surprise. It could be that an alternative arrangement should be sought for these Members so that the connection charges can be eliminated and a fixed cost solution substituted. When the original research was undertaken, there was no fixed charge unlimited access solution available that avoided the use of the public Internet to provide the connection to the Council's network. This is no longer the case.
- 5.4 BT now offers a commercial ADSL service (Asymmetric Digital Subscriber Line) in addition to its home service. ADSL is an enhancement of ISDN technology to put broadband digital signals onto telephone lines, in parallel with the existing telephone service.
- 5.5 ADSL would allow Members up to eight times faster access to the Council's network, and consequently the Internet, from home without restriction for a fixed monthly charge.
- 5.6 Three options have been submitted to Councillors Porter, Kallar and Fairbrass outlining the pros and cons. The general view has been to opt for option A, because it is a low risk, all in house, solution with one help desk support number to ring. The options, the five year costs of which are summarised on appendix 3, are:

5.6.1 Option A - Point to Point 512K BT IP Stream Broadband

This involves each Member being connected to BT at a line speed of 512 KB per second. A 2 MB per second dedicated pipe from BT would provide connectivity to the Council's network. The detailed costs are shown as Appendix 4.

The costs involve a fixed 51 line connection charge of £16,260 plus an annual line rental of £45,720. However, it does provide a secure point-to-point connection between the Members' homes and the Civic Centre, without involving the public Internet. It would also allow Members to continue to log in to the Council's network in the same way as they do at the moment and would provide the following benefits:

- Low risk, all in house solution.
- Only one helpdesk support number to ring.
- Automatic monthly update of virus software.
- Internet content filtering.
- IS&T can produce audit trails on each Member if required.
- Maximum contention ratio on broadband of 12.5:1, meaning a much higher guaranteed line speed (four Members using the service at once would get the full 512 KB per second speed). Further concurrent users would suffer a proportional line speed degradation.

5.6.2 Option B - BT Business Broadband 512K

This is a business based version of the normal home broadband service. The detailed costs are shown as appendix 5. The installation costs for 51 Members are £12,699 plus 51 personal firewalls at a total cost of £2,550, 51 broadband modems at a total cost of £4,080 and 51 personal authentication software packages at a total cost of £1,224. The total annual rental charge is £27,540. All costs are billed to the business (the Council) for all connections and the response time from BT in the event of problems is business rather than privately related. The connection to the council involves use of the public Internet, with the security implications that entails.

Pros

- Cheap compared to ISDN
- Faster connectivity compared to ISDN
- LBBB IS&T will be able to manage the installation with BT
- Standard business SLA will be provided by BT – eight hour fault fixing

Cons

- Medium risk not all in house support
- Internet access will be supported by BT
- LBBB access to e-mail and Intranet via BT Internet
- Main technical support will have to come from BT
- No Internet content filtering
- Audit trail not available on sites visited
- Firewall software required on all Laptops
- Logging on to LBBB only via Citrix
- Contention ratio on broadband up to 20:1

5.6.3 Option C - BT Home Broadband 512K

Option C is the cheapest solution of all. The detailed costs are shown as appendix 6. This is the solution that private home users of broadband are supplied with. Each Member would have to apply to BT for their personal connection and be billed individually each month for the rental charge. The connection charge is a total of £3,060, plus 51 personal firewalls at a total cost of £2,550, 51 broadband modems at a total cost of £4,080 and 51 personal authentication software packages at a total cost of £1,224. The annual rental is a total cost of £23,868. The response from BT to problems would be on the basis of “best endeavours”.

Pros

- Cheap compared to ISDN and Private Business broadband
- Faster Connectivity compared to ISDN

Cons

- Medium Risk not all in house support
- Each Member will have to apply and be billed for their own broadband connection
- Internet access will be supported by BT
- LBBB access to e-mail and Intranet via BT Internet
- No SLA or guarantee of service.
- Main technical support will have to come from BT
- No Internet content filtering
- Audit trail not available on sites visited
- Firewall software required on all Laptops
- Logging on to LBBB only via Citrix
- Contention ratio on broadband up to 50:1

- 5.7 Appendix 3 shows the costs over a five-year period. However, it also shows that savings can be made in the first year from adopting any of the three options. Despite being the most expensive, it is recommended that the Council proceed with Option, A which provides the most secure access, the simplest connection and the most resilient service and support.
- 5.8 The initial one-off ADSL installation cost of £16,260 can be capitalised and funded from the e-government budget. There will be an annual revenue savings of £5,484 over the current ISDN revenue cost as a direct result of implementation, with delivery additional expected savings of £15,000 plus to be met from previously budgeted reductions in expenditure on central printing costs.
- 5.9 The broadband project can be implemented within 7 months from start to finish.

Post Implementation Survey on the use of IT for Members

Are you satisfied with the IT Equipment Supplied by the borough? Yes No

Comments

How often do you logon to the LBBD Network. Daily Once a week Occasionally

Which of the following applications programmes have you used to date.

- Microsoft Outlook for E-mail
- Microsoft Internet browser for access to LBBD Intranet and Internet
- Microsoft Excel for spreadsheets
- Microsoft PowerPoint for presentations
- Microsoft Word for Documents

IT Support

Have you used our helpdesk on extension 2013 for logging support calls Yes No

How do you rate the computer support provided Excellent Good Fair Poor

Comments on IT support

IT Training

How do you rate the IT training provided by the borough.

- Excellent Good Fair Poor

Have you used the ECDL computer based training material that was installed on your Laptop.
Yes No

If yes, have you found it useful. Yes No

Have you found the piloted CBT training material (Word /Excel/ Power Point) by Net-g useful
Yes No **(Piloted out by the Exec Members only)**

How would you like to receive further IT training.

- All day group training
- Half day one to one training
- Apply for training as required
- Monthly IT Surgeries for brief discussion on problems

Mobile Computing

If there was a facility available to access your e-mail/calendar/internet from anywhere in the UK via a mobile phone and portable hand held device such as Compaq IPAQ would you find this useful.

- Yes No

Are there any areas of IT that you wish to comment on that are not covered by LBBD or needs investigating which in turn will benefit the council?

Any other comments or suggestions

Name

Thank you for completing the questioner. Please return it to Member's services, Civic Centre, Dagenham or e-mail it to members@lbbd.gov.uk.

Survey Results

No of Survey Sent	43				
No of Surveys Recd	28				
Satisfied with It Kit	Yes	No			
	24	4			
How often is the laptop used	Daily	Once a Week	Occasionally		
	22	3	3		
What Applications are used	Outlook	Internet	Excel	Power Point	Word
	26	22	8	5	24
Logged call on Helpdesk	Yes	No			
	13	15			
IT Support & Training	Excellent	Good	Fair	Poor	No Comments
Computer Support	10	11	4	1	2
IT Training	5	13	3		7
	Yes	No			
ECDL Training Used	4	24			
ECDL Training Useful	4	24			
Net-G Training - Useful	4	24			
Further Training	All Day Group	Half Day Individual	Apply as Req'd	Monthly IT Surgries	No Comments
	1	8	18	8	3
Mobile Computing	Yes	No			
	15	13			

APPENDIX 3

Summary of Financial Costs of Switching from ISDN Service to ASDL Service

5-year Cost Projections

	Option A Installation of BT IP Stream 512k Broadband	Option B Installation of BT Business Broadband 512K	Option C Installation of BT Home broadband 512K
	£	£	£
Proposed Costs (5 years)	244,860.00	158,253.00	130,254.00
Current Costs (5 years)	256,020.00	256,020.00	256,020.00
<u>Saving</u>			
Year 1	10,776.00 (None)	(3,111.00)	(16,422.00)
Year 2	(5,484.00)	(23,664.00)	(27,336.00)
Year 3	(5,484.00)	(23,664.00)	(27,336.00)
Year 4	(5,484.00)	(23,664.00)	(27,336.00)
Year 5	(5,484.00)	(23,664.00)	(27,336.00)
Total (5 years)	(11,160.00)	(97,767.00)	(125,766.00)
Saving per Member	(218.82)	(1,917.00)	(2,466.00)

Option A - Installation of BT IP Stream 512k Broadband

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	£	£	£	£	£	£
<u>Proposed Costs</u>						
<u>Set-up Costs</u>						
One off Connection Charge for Voice and Data (£260 x 51 members)	13,260.00					
Central Connection Charge	3,000.00	0.00	0.00	0.00	0.00	
<u>Annual Costs</u>						
Broadband line rental (£45 per month x 12 months x 51 members)	27,540.00					
Telephone line rental (£15 per mth x 12 months x 51 members)	9,180.00					
Central Connection Charge - Annual Sum	9,000.00	45,720.00	45,720.00	45,720.00	45,720.00	
Total Annual cost for 51 Members excluding telephone call charges	61,980.00	45,720.00	45,720.00	45,720.00	45,720.00	244,860.00
Total cost per member excluding telephone call charges	1,215.29	896.47	896.47	896.47	896.47	
<u>Current Costs</u>						
Annual Average ISDN cost per member	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	
Total Annual cost for 51 Members excluding telephone call charges	51,204.00	51,204.00	51,204.00	51,204.00	51,204.00	256,020.00
Overall Additional Cost/(Saving) of Implementing ASDL	10,776.00	(5,484.00)	(5,484.00)	(5,484.00)	(5,484.00)	(11,160.00)

Option B - Installation of BT Business Broadband 512K

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	£	£	£	£	£	£
<u>Proposed Costs</u>						
<u>Set-up Costs</u>						
One off Installation/Connection Charge cost for Voice and Data	249.00					
Broadband Modem	80.00					
Personal Firewall software	50.00					
Security Authentication software	403.00	0.00	0.00	0.00	0.00	
<u>Annual Costs</u>						
Broadband line rental (£30 per month x 12 months)	360.00					
Telephone line rental (£15 per mth x 12 months)	180.00	540.00	540.00	540.00	540.00	
		540.00	540.00	540.00	540.00	
Total cost per member excluding telephone call charges	943.00	540.00	540.00	540.00	540.00	
Total Annual cost for 51 Members excluding telephone call charges	48,093.00	27,540.00	27,540.00	27,540.00	27,540.00	158,253.00
<u>Current Costs</u>						
Annual Average ISDN cost per member	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	
Total Annual cost for 51 Members excluding telephone call charges	51,204.00	51,204.00	51,204.00	51,204.00	51,204.00	256,020.00
Overall Additional Cost/(Saving) of Implementing ASDL	(3,111.00)	(23,664.00)	(23,664.00)	(23,664.00)	(23,664.00)	(97,767.00)

Option C - Installation BT Home broadband 512K connection

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	£	£	£	£	£	£
<u>Proposed Costs</u>						
<u>Set-up Costs</u>						
One off Installation/Connection Charge cost for Voice and Data	60.00					
Broadband Modem	80.00					
Personal Firewall software	50.00					
Security Authentication software	24.00	0.00	0.00	0.00	0.00	
<u>Annual Costs</u>						
Broadband line rental (£27 per month x 12 months)	324.00					
Telephone line rental (£12 per mth x 12 months)	144.00	468.00	468.00	468.00	468.00	
		682.00	468.00	468.00	468.00	
Total cost per member excluding telephone call charges						
Total Annual cost for 51 Members excluding telephone call charges	34,782.00	23,868.00	23,868.00	23,868.00	23,868.00	130,254.00
<u>Current Costs</u>						
Annual Average ISDN cost per member	1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	
Total Annual cost for 51 Members excluding telephone call charges	51,204.00	51,204.00	51,204.00	51,204.00	51,204.00	256,020.00
Overall Additional Cost/(Saving) of Implementing ASDL	(16,422.00)	(27,336.00)	(27,336.00)	(27,336.00)	(27,336.00)	(125,766.00)

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank