Wigan Council

"What makes Wigan Work?"

Evidence Base and Analysis

The Worklessness Strategy for Wigan

Version 1.0

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working together
WIGAN BOROUGH PARTNERSHIP

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1 Introduction – The Worklessness Strategy for Wigan

The purpose of the strategy will be to define a partnership framework to address the priorities and achieve the objectives defined in the new Local Area Agreement.

The Worklessness Strategy will consist of:

- This Strategy Document will define:
  - The evidence of need
  - The current mainstream provision
  - The current gaps in mainstream provision
  - The overall approach to addressing the priorities identified in the Local Area Agreement (LAA).
  - The identified priorities
- A series of action plans to address the priority issues identified through the evidence base and linked to the targets defined in the Local Area Agreement for 2008-2011.
- A Commissioning Framework based on the existing the existing framework successfully developed and implemented by the Wigan Economic Partnership.

2 Policy Context

2.1 National Policy Context

Reducing worklessness is a critical component of two key Government Agenda’s:

- The achievement of an 80% employment rate (currently 74.2% for GB and 73% for Wigan). To put this into context, only one country (Iceland) currently has an employment rate greater than 80%
- The aspiration to eliminate child poverty

In July 2007, the Department of Work and Pensions published the green paper entitled “In work, better off”. The paper set out proposals to deliver a step change in the support offered to those who are most disadvantaged in the labour market. At the heart of the proposals is a new ‘jobs pledge’, which will build on the Local Employment Partnerships announced in the 2007 Budget. The aim is for major employers to offer a quarter of a million job opportunities to the long-term out-of-work. Other key proposals include:

- A new social contract with lone parents which expects an eventual move into the labour market in return for the necessary personalised support.
- A more personalised, flexible and responsive New Deal, delivering support which is right for the individual.
- An integrated skills and employment agenda.
- The roll out of “Pathways to Work” across all JC+ districts (including Wigan). Pathways is the flagship DWP programme for reducing worklessness.

In November 2007 the Department for Communities and Local Government and DWP published details of the Working Neighbourhoods Fund. First announced in the Comprehensive Spending Review, the WNF replaced Neighbourhood Renewal Fund (NRF) and is worth £1.5 billion over three years with a further £500 million as possible reward grant. The fund will provide a distinct element of the Area Based Grant (ABG) and will provide resources to local authorities to tackle worklessness and low levels of skills and enterprise in the most deprived areas.

2.2 Regional Policy Context

At a regional level, high levels of worklessness are a key contributor to the gap in Gross Value Added (GVA) between the North West and areas in the South. Therefore, reducing worklessness is identified in the Regional Economic Strategy as a key priority.

2.3 Sub-regional Policy Context

2.3.1 City Strategies

At a Greater Manchester level, reducing worklessness is identified in the GM Economic Development Strategy. A consortium of Greater Manchester Local

Authorities (including Wigan) was recently awarded Pathfinder Status for the DWP's City Strategies initiative. City Strategies sole purpose is to co-ordinate activity to reduce worklessness across the sub-region. In addition to City Strategies, there are two new ESF Co-finance programmes from LSC and DWP focused on reducing worklessness and improving skill levels. The total value of the funds over 5 years for Greater Manchester will be approximately £70 million.

2.3.2 Manchester Multi Area Agreement

Multi Area Agreements (MAAs) are a voluntary agreement between two or more top tier or unitary local authorities, their partners and Government to achieve collective outcome-based targets to improve economic prosperity. All ten Local Authorities in Greater Manchester together with key partners submitted the Manchester MAA to Government at the end of June 2008.

The Manchester MAA is a set of tailored shared proposals, described as building blocks, between the city region and partners in Government. The starting point is that the status quo in terms of how local and central government are organised will not deliver stretched performance and will thereby fail to fulfil Manchester's and the Government's ambitions. The Manchester MAA is one of the primary vehicles for the creative use of powers and influence of our communities, citizens and businesses i.e. 'place-shaping'.

The city region has grown rapidly over recent years but significant opportunity remains. This area represents around 40 per cent of the North West and 5 per cent of the English economy. However, economic output per person remains below the national average and the area has significant worklessness and skills issues to tackle. Over 240,000 people are on out of work benefits making it second only to London in terms of the scale of need. In addition to this, in Greater Manchester an estimated 403,000 residents, 27% of the working age population (NW: 26%, England: 24%) have poor literacy; and 422,000 residents, 28% of the working age population (NW: 27%, England: 24%) have poor numeracy.3

The current reference estimate for the increase in Gross Value Added in Manchester between 2007 and 2012 is £6.6 billion, with a potential for that to be up to £8.2 billion if Manchester realises the unique opportunities and assets afforded to it. However slower anticipated national growth rates mean that maintaining recent trends over the coming decade is likely to be extremely ambitious. If Manchester were to grow at the bottom end of the Bank of England's latest forecasts, there is the possibility of Gross Value Added output increasing by just £2.0 billion over the period, one third of reference growth. What this means for Manchester is stark: a slowdown of this magnitude could lead to job losses measured in the tens of thousands.

The MAA building blocks seek to address the need for:

- Appropriate resource allocation between policy priorities to leverage the maximum possible policy impact.

- Bespoke solutions at the right spatial level designed to meet the needs of individuals, communities and businesses.
- Collective action, aligning and co-commissioning resources where appropriate, to enable multi faceted problems to be more effectively addressed by central and local Government and local agencies.

Appendix 1 provides a summary of the building blocks of the Manchester MAA. The full Manchester MAA Document can be downloaded from the Manchester Enterprises website (http://www.manchester-enterprises.com/documents/Manchester_MAA.pdf).

2.4 Local Policy Context

2.4.1 Economic Development Strategy

At a local level, high levels of worklessness in Wigan were identified as an issue 3 years ago. The evidence base of worklessness was used to inform the Economic Development Strategy developed by the Wigan Economic Partnership and the plan was published in June 2005. Goal 4 of the plan "Achieve economic inclusion" identified high numbers of Incapacity Benefit claimants (main contributor to worklessness total) as the most significant barrier to the goal.

Reducing worklessness was a principle objective in the two unsuccessful LEGI bids from Wigan. The LEGI Bids were the action plan for the Economic Development Strategy. Based on the LEGI bids, the Wigan Economic Partnership commissioned several pilot projects to reduce worklessness, improve skills and increase levels of enterprise funded through Neighbourhood Renewal Funds (NRF).

2.4.2 Community Plan

High numbers of Incapacity Benefit claimants are also highlighted as an issue in the Boroughs' Community Plan. Reducing the levels of worklessness will directly contribute to achieving goal 1 - To achieve a good standard of living for all and reduce poverty.

A new Sustainable Community Strategy for the Borough is currently under development (July 2008).

2.4.3 Local Area Agreement 2008 – 2011

Wigan's Local Area Agreement (LAA) for 2008 to 2011 identifies high levels of worklessness, low skill levels and low levels of enterprise as key priorities for the Borough. The LAA specifies National Indicators (NI's) that will be used to measure progress in addressing the priorities. For worklessness in Wigan, the following National Indicators have been included in the LAA:

- NI 153 – measures the worklessness rate in specific deprived areas
- NI 163 – measures Level 2 achievement
- NI 164 – measures Level 3 achievement

- NI 171 – measures the business start-up rate

In addition to the above NI's, the number of young people Not in Education, Employment or Training (NEET) measured by NI 117 has strong linkages with worklessness in Wigan.

3 Evidence Base - Worklessness in Wigan

3.1 Overall worklessness trends

The generally accepted measure for worklessness is the total number of working age people claiming out of work benefits divided by the resident working age population expressed as a percentage, often referred to as the **worklessness rate**.

The overall worklessness figure in Wigan is currently 34,670 (source Department of Work and Pensions - May 2007). This equates to a worklessness rate of 18.2%, which is higher than North West average of 17.5% and compares poorly to the UK average of 14.2%. The May 2007 figures are the baseline reference point for the Worklessness Targets contained within Wigan's new Local Area Agreement currently under negotiation (July 2008).

Of the 34,670 people claiming out of work benefits, 17,840 (51.5%) are male and 16,795 (48.5%) are female. The working age population is spilt 52.6% male to 47.4% female.

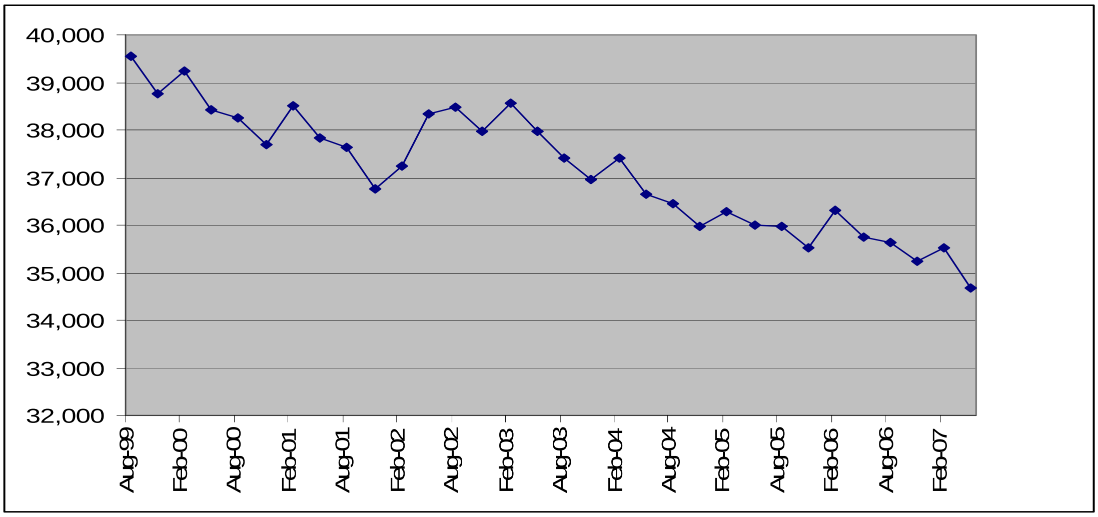

Chart 1 – Overall worklessness trend in Wigan

Chart 1 illustrates the overall worklessness figure for Wigan showing an encouraging decline.

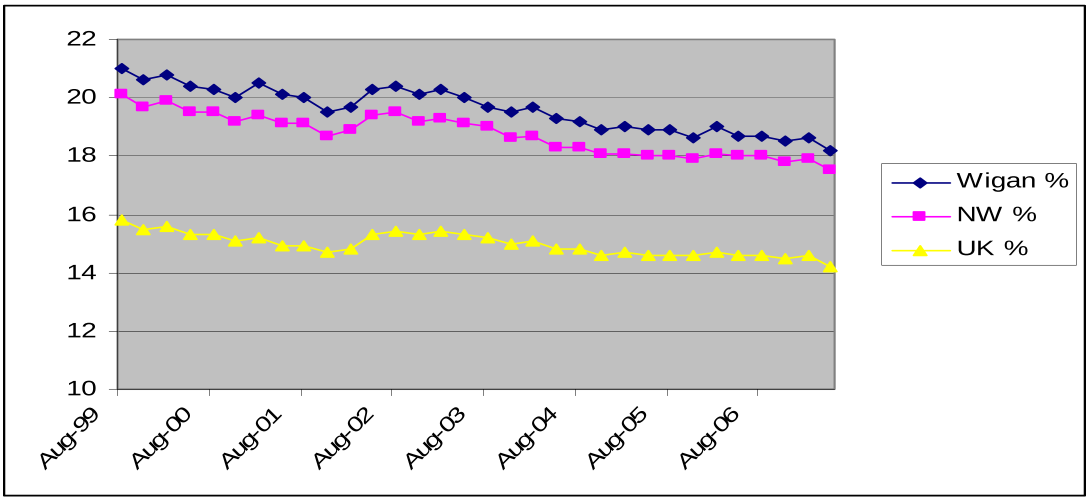

Chart 2 – Comparison of worklessness rates

However, Chart 2 clearly shows that any reduction in workless totals for Wigan is reflective of national and regional trends rather than any specific localised interventions. It is also apparent that Wigan has not closed the gap compared to the North West and UK averages.

3.2 Worklessness in deprived areas

3.2.1 Definition of deprived areas

The most common methodology for indentifying areas of deprivation uses the Government's Indices of Multiple Deprivation (IMD). IMD figures are based on defined areas each with a population of approximately 1,500 called Lower Super Output Areas (LSOA's). Within Wigan, based on the latest 2007 IMD figures, there are 49 LSOA's that are amongst the 10% most deprived in the country in terms of employment. These areas are home to just over 73,000 people or approximately 25% of the total population. The resident working age population is approximately 47,000 people, once again 25% of the total working age population.

A further definition of a deprived area is provided by the Department of Work and Pensions (DWP) to support the Local Area Agreement and NI 153. This definition identifies 32 LSOA's that have a workless rate greater than 25%. The worklessness rate is based on a subset of the Working Age Client Group Benefits, specifically those that are discretionary and income related. A full list of the LSOA's identified by the DWP is contained in Appendix 2.

Whilst both definitions provide very precise geographic definitions of deprivation, they do not naturally align with natural communities. The action planning process will identify natural communities that can be targeted with specific interventions. Experience of delivering the NRF programme has shown that a strict geographic eligibility criterion is a key barrier to success (post code lottery). There is now an accepted principle that specific interventions to address worklessness, skills and enterprise should target specific natural communities and not be restricted to defined LSOA's. However, for the purposes of consistency with the LAA, analysis of worklessness within deprived areas will be based on the DWP methodology.

3.2.2 Overall worklessness in DWP deprived areas

The 32 LSOA's (see Appendix 2) are spread across the Borough.

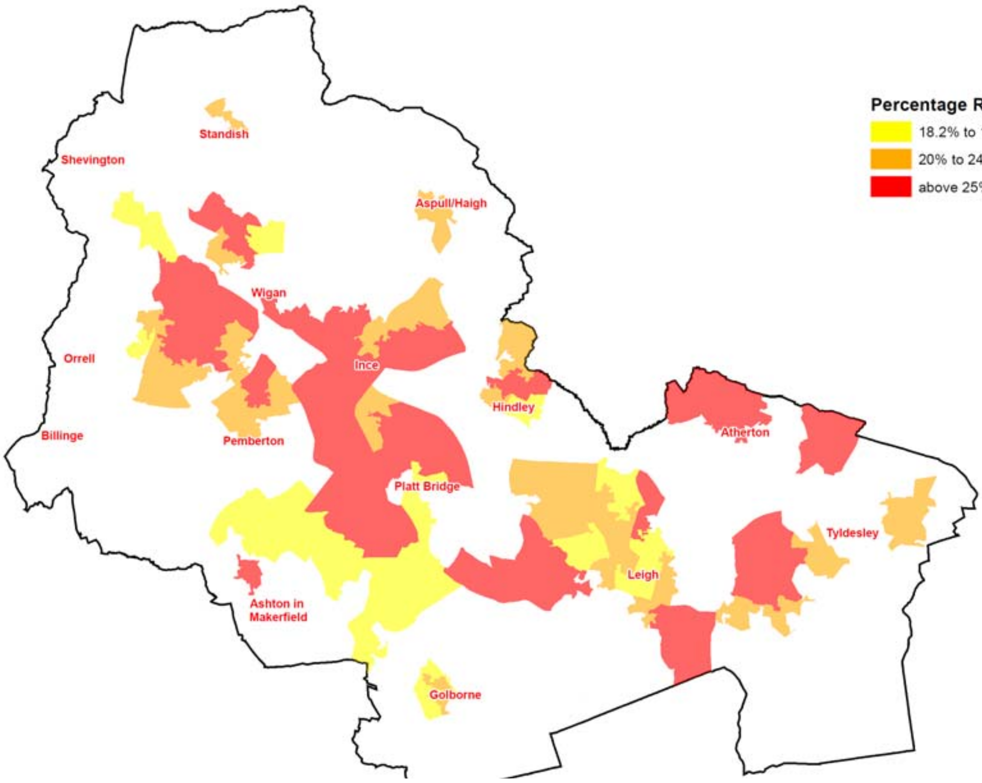

Figure 1 – DWP deprivation areas (red)

As can be seen from Figure 1, the areas of deprivation are spread all over the Borough with no dominant concentration. In May 2007 (LAA Baseline Position), within the highlighted red areas, the number of people classed as workless was 9,498 (32.4% of the working age population). By November, this total had declined to 9,445 (32.3% of working age population), a reduction of 53 from the workless count.

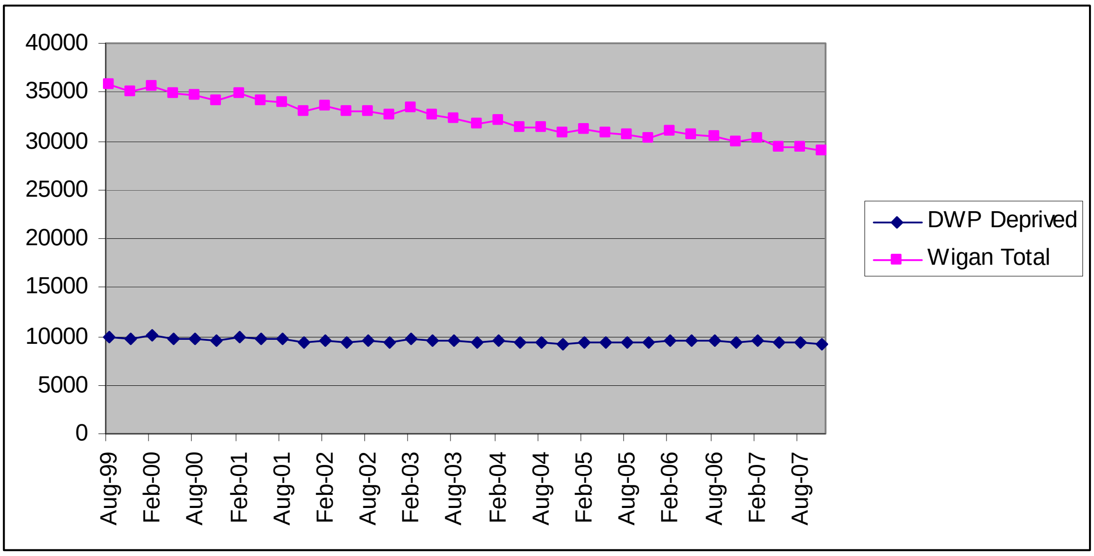

Chart 3 – Worklessness trends in Wigan

Chart 3 shows the overall worklessness trends in Wigan and the deprived areas. The chart starkly illustrates that within the deprived areas (as defined by the DWP) there has been virtually no reduction in the overall figure for worklessness. In August 1999 the workless total in deprived areas accounted for 27% of the overall figure and by November 2008 this proportion had increased to 33%.

3.3 Breakdown of worklessness in Wigan

There are several definitions of worklessness used by various organisations and Government departments. For the purposes of consistency, people who are claiming Working Age Client Group (WACG) Benefits are considered workless. The WACG Benefits are:

- Job Seekers Allowance (JSA)
- Incapacity Benefit (IB)
- Lone Parents (LP) Benefit
- Carers
- Others on income related benefits
- Disabled
- Bereaved

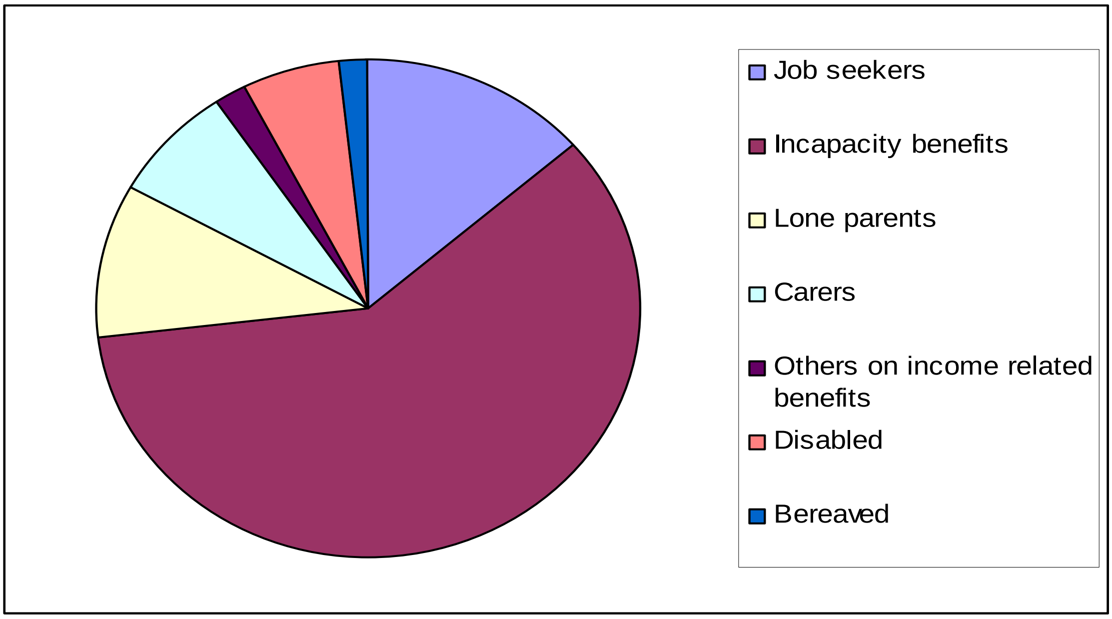

Chart 4 – worklessness by WACG claimant type – May 2007.

Chart 4 illustrates that Incapacity Benefits, Job Seekers Allowance, and Lone Parent benefit claimants represent over 83% of the overall claimant total. These three claimant groups are analysed further to identify key issues.

3.4 Incapacity Benefit analysis for Wigan

There are 20,690 people claiming Incapacity Benefit in Wigan (source DWP – May 2007 LAA Baseline) and at 60% represents the largest single category. This equates to an IB claimant rate of 10.8% of the working age population, which is significantly higher than the North West (9.5%) and UK (7.2%) averages. Of the 20,690 IB Claimants, 11,850 (56.4%) are male.

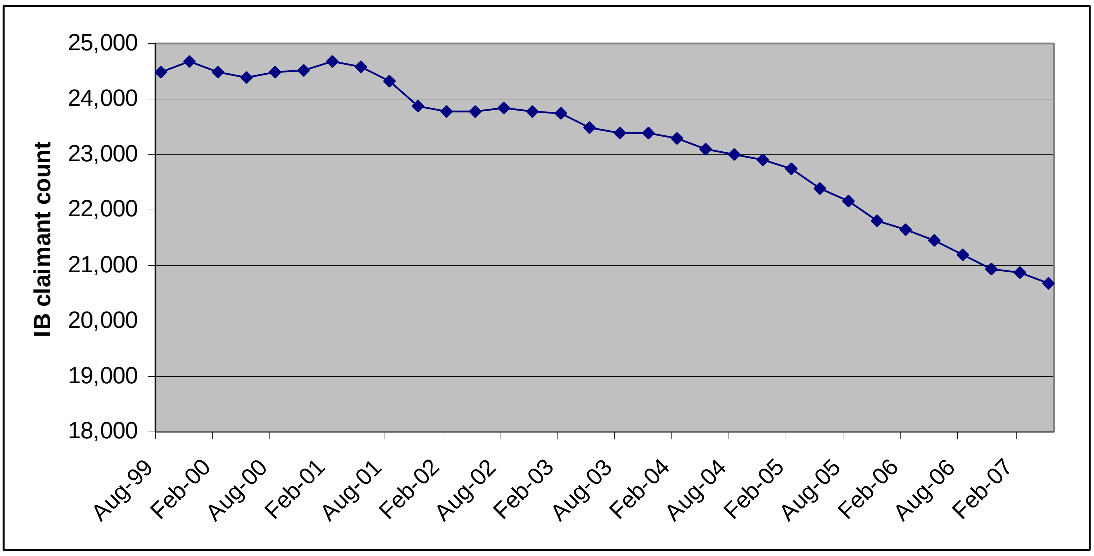

Chart 5 – IB claimant trend

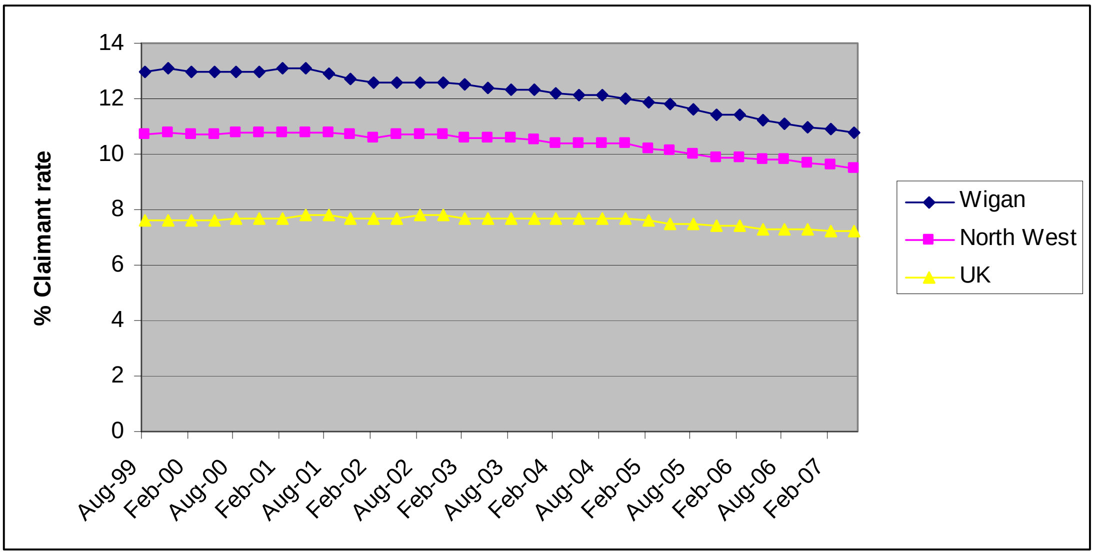

Chart 6 – Comparison of IB claimant rates (as a % of working age population)

Overall IB Claimant trends would seem to be encouraging with Chart 5 showing a significant decline in overall numbers and Chart 6 indicating that Wigan is reducing the gap in terms of claimant rate with the regional and national averages.

However, further analysis of IB claimants by condition, age, duration and geography reveal some underlying issues that are of major concern.

3.4.1 IB by condition

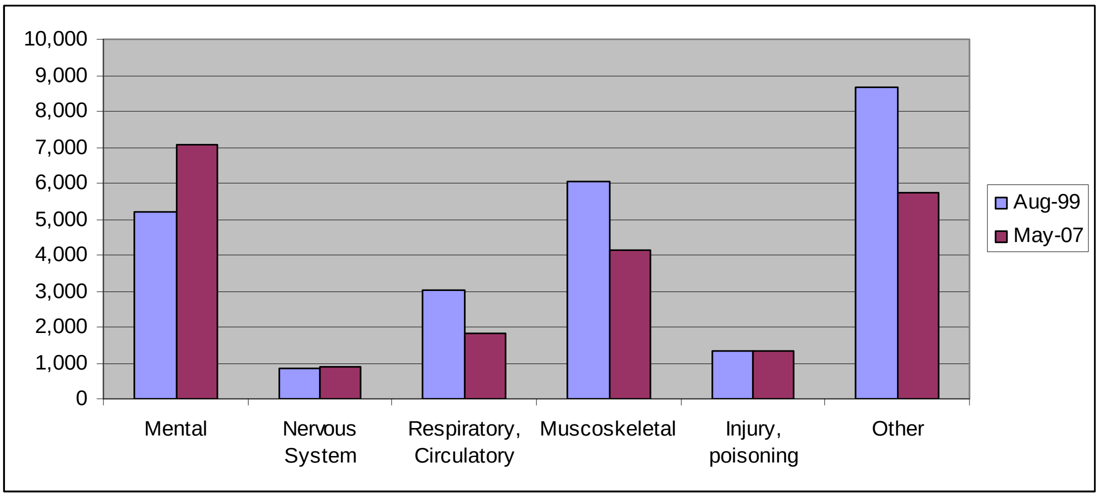

Chart 7 – comparison of IB by condition

Chart 7 starkly illustrates the growth in numbers of IB claimants stating mental health as their primary condition. There are now 7,045 IB claimants stating mental health as their primary condition accounting for almost 34% of all claimants. This represents an increase of 35% since August 1999. Mental health is the only claimant condition to show significant growth since August 1999 and now represents the largest category.

Further independent analysis of the mental health category has identified that approximately 50% of the mental health claimants are suffering from stress or depression. The other 50% have relatively more serious conditions such as schizophrenia.

3.4.2 IB by age

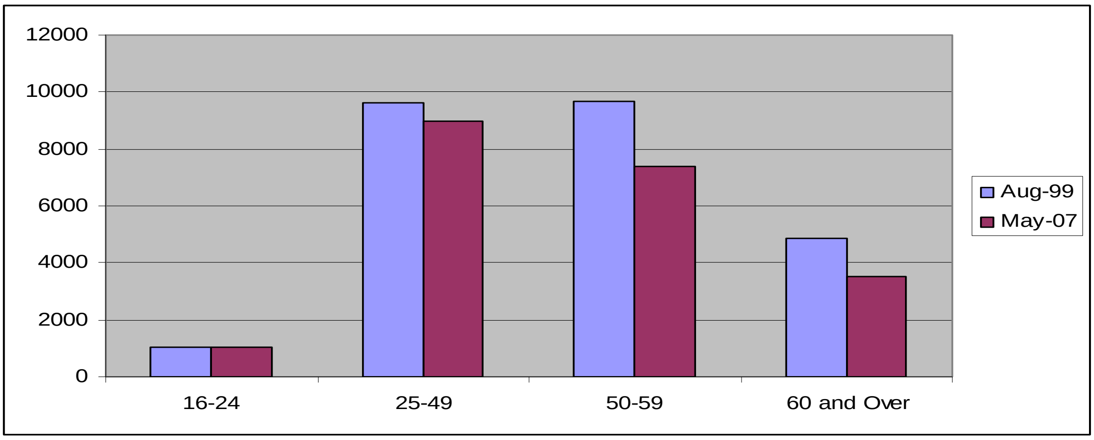

Chart 8 – comparison of IB by age

For the period from August 1999 to May 2007, the overall IB claimant count declined by almost 17%. The majority of this decline was within the 50 plus age range. Of concern is the static number of young people aged 16-24 claiming IB. The proportion of young people claiming IB has increased from 4.2% (August 1999) to 4.9% (May 2007) of the current IB total.

3.4.3 IB by duration

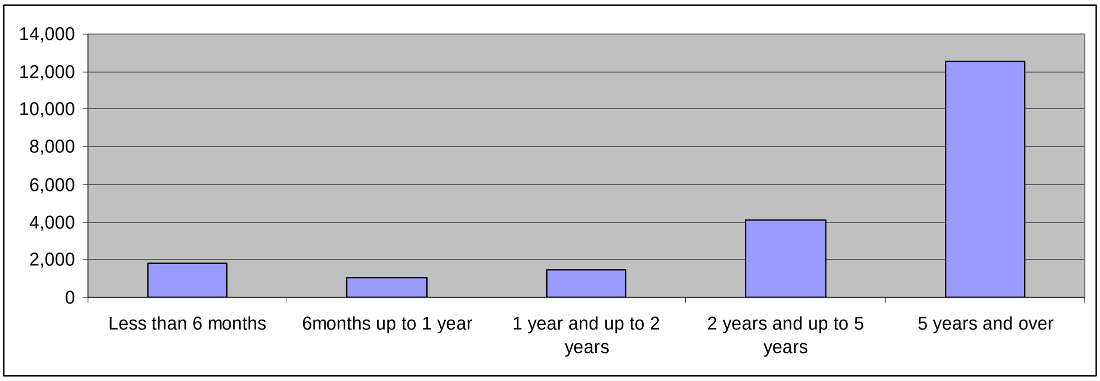

Chart 9 – IB by duration (May 2007)

Over 91% of Wigan's IB claimants have been doing so for 6 months or more, and almost 60% of the claimants have been doing so for over 5 years. Job Centre Plus statistics indicate that a person claiming IB for 2 years or more is more likely to die or retire rather than secure employment. For Wigan, this equates to over 16,600 IB claimants who are statistically unlikely to ever work again.

3.4.4 IB in deprived areas

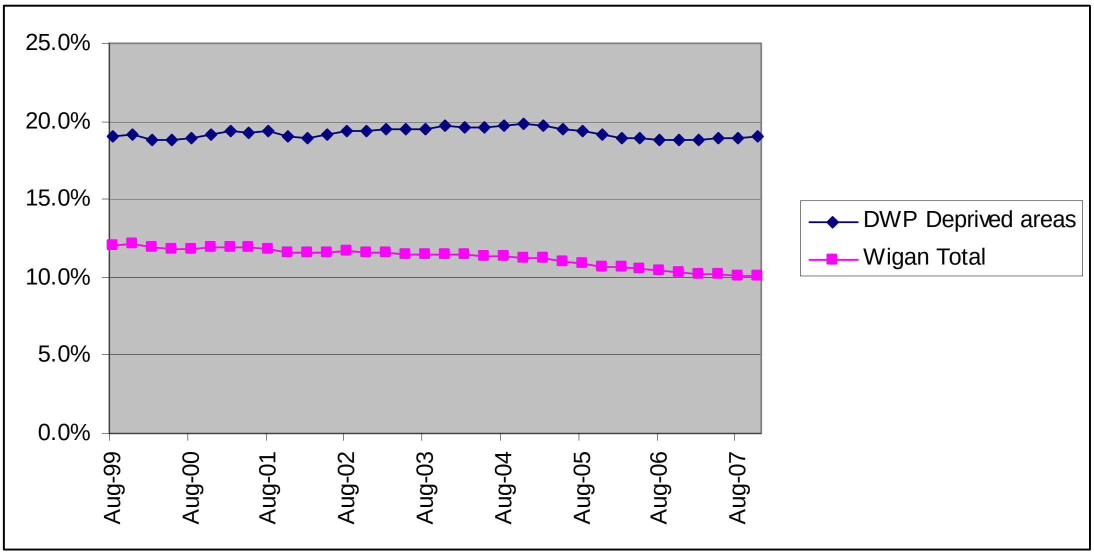

Chart 10 – IB Trends in Wigan (as a % of working age population)

Chart 10 shows that as a percentage of the working age population, the IB claimant rate in the deprived areas has hardly changed since August 1999 compared to a significant reduction in the overall rate for Wigan.

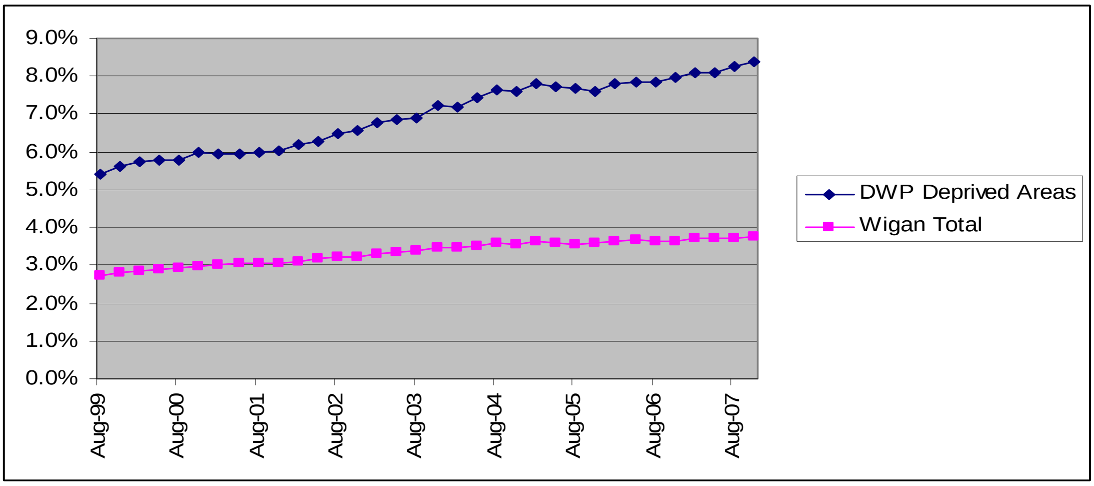

Chart 11 – IB Mental Health Trends in Wigan (as a % of working age population)

The numbers of people claiming Incapacity benefit due to Mental Health issues has increased across Wigan generally. However, Chart 11 illustrates that the rate of increase in the deprived areas is higher than the overall increase across Wigan.

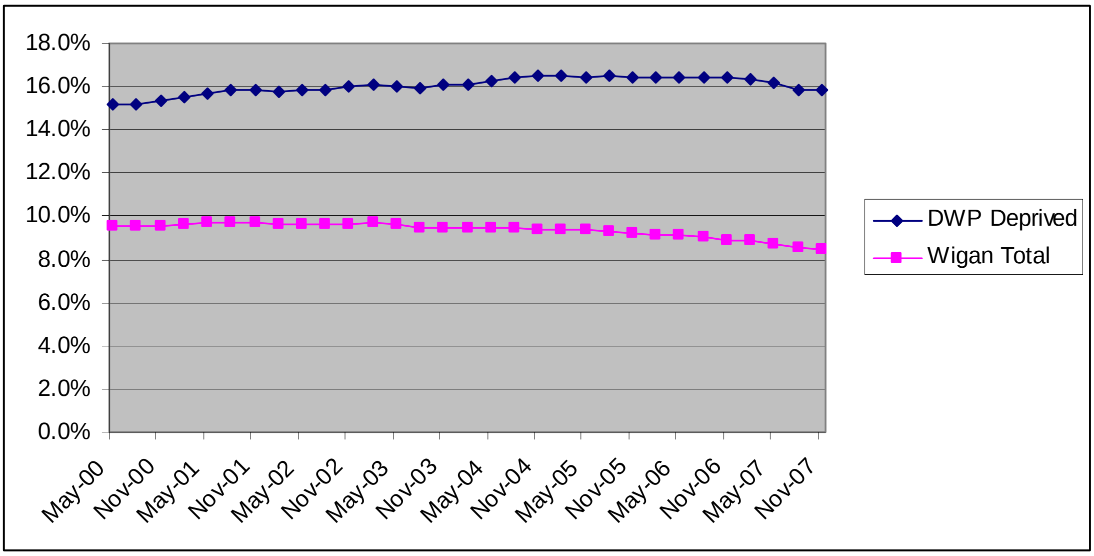

Chart 12 – Trend in Wigan of people claiming IB for more than 2 years (as a % of working age population)

Chart 12 indicates that there increasing numbers of long term IB claimants within the areas of deprivation, whilst at the same time there has been a steady decline of long term claimants across Wigan generally. This is despite a decline in the numbers of people claiming IB due to the traditional conditions (respiratory, musco-skeletal) which in the past were the main long term complaints for people claiming IB.

3.5 Job Seekers Allowance analysis

The second largest category are people claiming Job Seekers Allowance (JSA) at 13.5% of the overall total. However, in relative terms 4,680 people claiming JSA in Wigan represents 2.5% of the resident working age population which is lower than the North West average (2.6%) and only just above the UK average (2.3%).

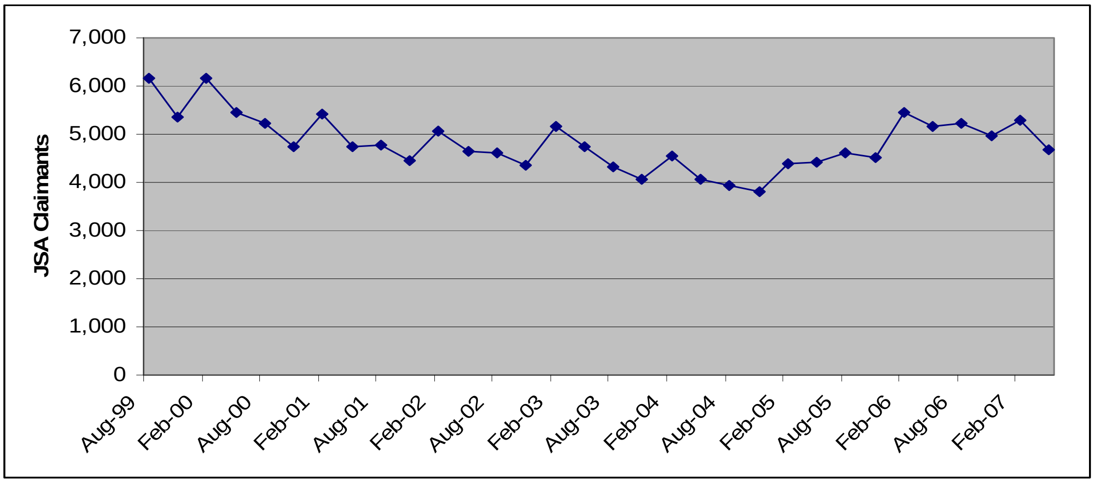

Chart 13 – JSA claimants in Wigan

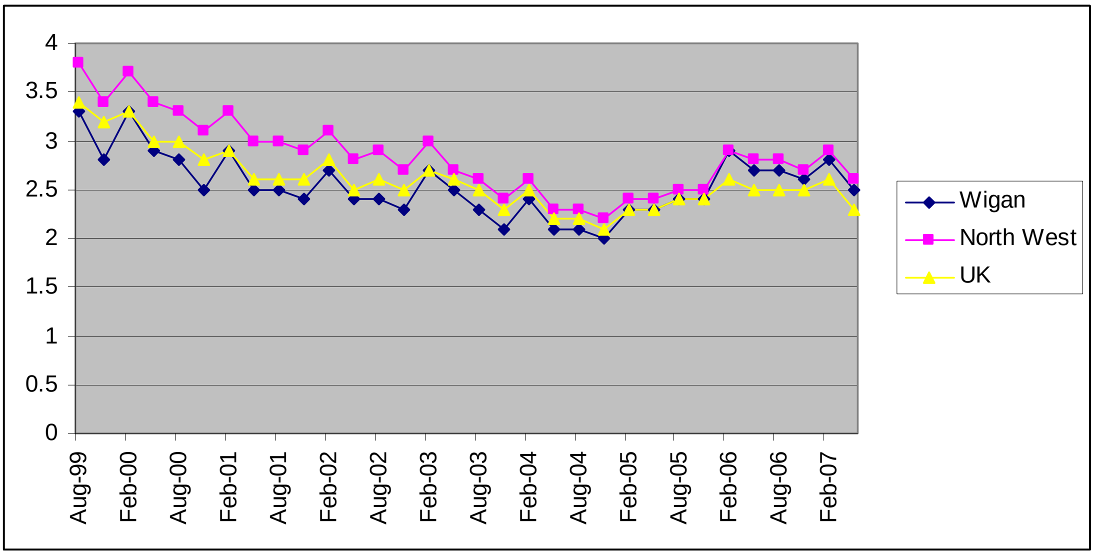

Chart 14 – Comparison of claimant rates (as a % of working age population)

In terms of JSA claimant numbers, Wigan can be seen to be reflective of the regional and national trends in terms of direction. In the first half of the decade, Wigan performed relatively well compared to the regional and national averages maintaining a significant gap in performance. However, since 2005, both the region and the national averages have closed the gap and Wigan now has a similar performance to the Region and is above the UK average.

3.5.1 JSA by age

	Wigan (numbers)	Wigan (%)	North West (%)	Great Britain (%)
Aged 18-24	1,735	35.8	34	30.9
Aged 25-49	2,410	49.8	52	53.1
Aged 50 and over	630	13.0	13.1	15.0

Table 1 – JSA claimants in Wigan by age (February 2008)

Whilst the overall figures in Wigan compare relatively well for overall JSA claimant counts, there are higher than average proportion of young claimants compared to the regional and national averages.

3.5.2 JSA by duration

	Wigan (numbers)	Wigan (%)	North West (%)	Great Britain (%)
Up to 6 months	3,495	72.3	71.8	71.6
6 to 12 months	705	14.6	15.8	15.6
Over 12 months	635	13.2	12.4	12.8

Table 2 – JSA claimants in Wigan by duration (February 2008)

Table 2 illustrates there is a slightly higher proportion of 0 to 6 months claimants compared to the regional and national averages. Further analysis of this is required with specific focus on the "on flow" rates to JSA. It may be reflective of the increasing skills requirements for employment. Wigan also has a higher proportion of long term unemployed and this may again be indicative of inappropriate skills within the working age population.

3.5.3 JSA in deprived areas

4.7% of the working age population (2,185 people) in the deprived areas are claiming JSA. This is over twice the UK average and significantly higher than the overall average of 2.5% for the Borough.

Over 51% (845 people) of the claimants aged 25 and under live in the deprived areas.

It is not possible from public statistics to define the proportion of long term unemployed living within the deprived areas. However, it would be reasonable to assume that there is a higher concentration of long term unemployed living in these areas.

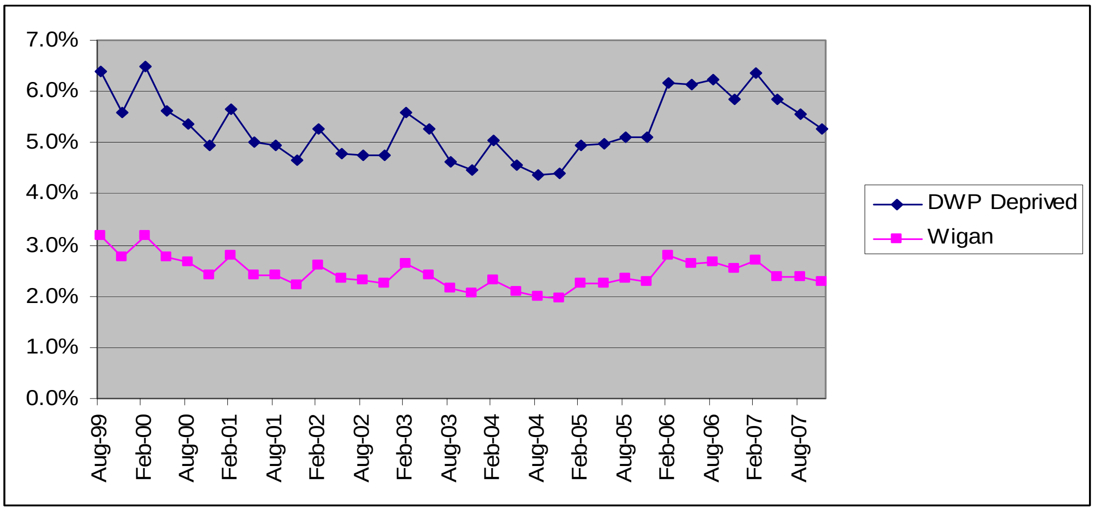

Chart 15 - JSA Claimant Count Trends in Wigan (as a % of working age population)

The JSA claimant rate for Wigan and the deprived areas is reflective of national trends. Furthermore, there does seem to a slight narrowing of the gap between the claimant rates for Wigan and the deprived areas, which is encouraging. There have traditionally been relatively high levels of mainstream support to assist JSA claimants to return to work from such organisations as Job Centre Plus. It should also be recognised that the there has comparatively little or no targeted interventions into the deprived areas.

3.6 Lone Parent (LP) Benefit analysis

There are 3,450 people claiming Lone Parent Benefit in Wigan accounting for 10% of the workless total.

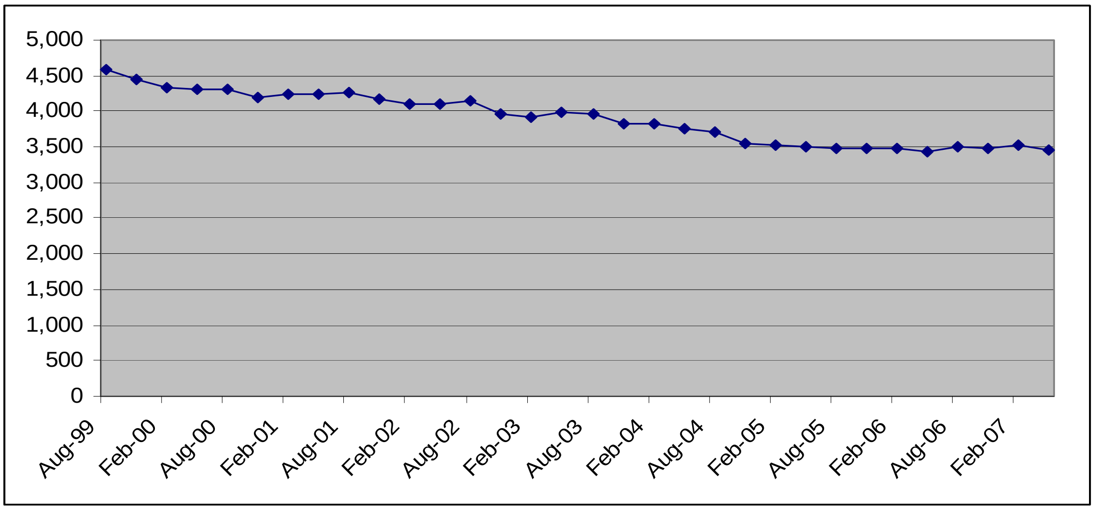

Chart 16 – Lone Parent Benefit claimant count

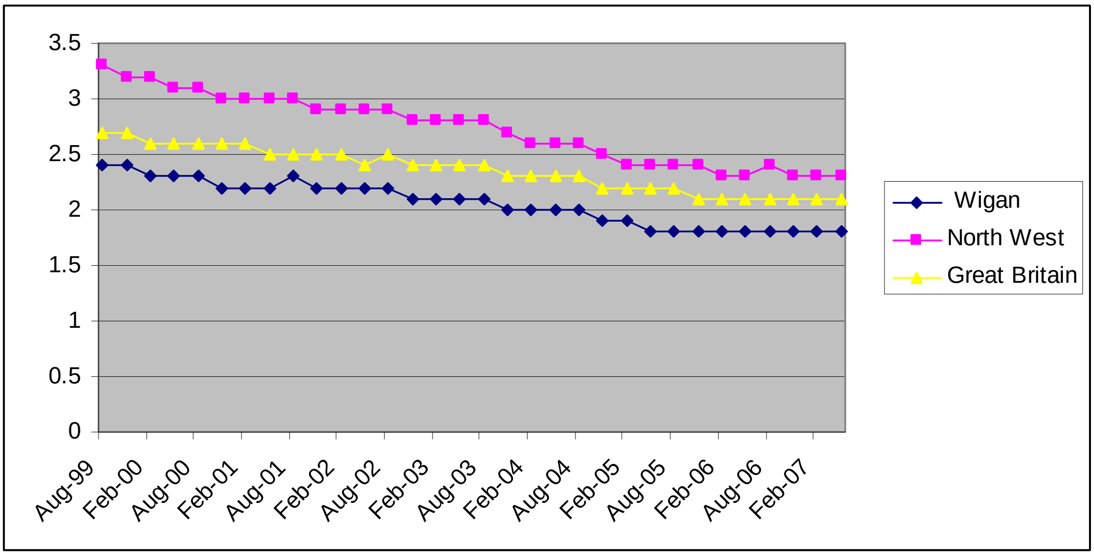

Chart 17 – Comparison of LP claimant rates (as a % of working age population)

Chart 16 shows that LP claimant rates have remained static since 2005, and Chart 17 shows this is reflected in the regional and national trends. It is encouraging to note that Wigan has a significantly lower LP claimant rates than the regional and national averages. There may be a correlation between the static LP claimant rates and the teenage pregnancy rates that will require further investigation.

3.6.1 Lone Parent Benefit claimants in deprived areas

Within the deprived areas, there are almost 2,000 people claiming Lone Parent Benefits. This represents a claimant rate of 4.2%, significantly higher than the Borough rate of 1.8%, the North West rate of 2.3% and the UK rate of 2.1%. Over 57% of all Lone Parent Benefit claimants live in the deprived areas.

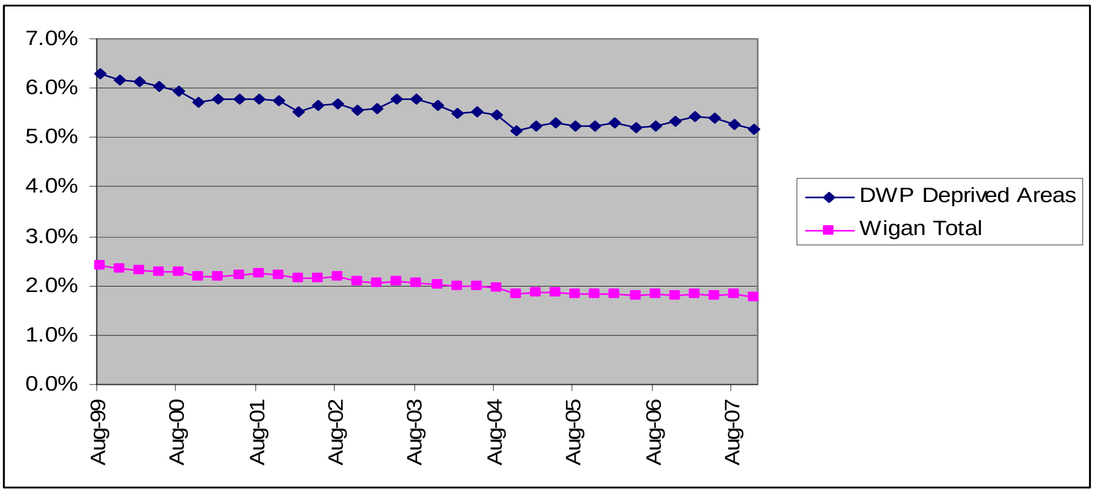

Chart 18 – LP Claimant Rate Trends in Wigan (as % of working age population)

Chart 18 does indicate a recent narrowing of the gap between the deprived areas and the overall Wigan rate. This may be reflective of the teenage pregnancy interventions targeted into the deprived areas.

4 Identified Priorities

The evidence base analysis clearly identifies the priorities for action if levels of worklessness are to be significantly reduced in the Borough to ensure the LAA targets are achieved. These priorities are:

- **Priority 1** – Reduce overall levels of worklessness in the deprived communities.
- **Priority 2** – Reduce the number of people claiming Incapacity Benefit due to mental health issues across the Borough.
- **Priority 3** – Reduce the number of young people (under 25) claiming Incapacity, Job Seekers Allowance, and Lone Parent benefits.

The agreed priorities form will form the basis for the action planning process with each having its own plan. Creation of the Action Plans should be the remit of task focused, time limited working groups. The membership of groups will reflect the skills and expertise required.

5 Barriers to success

It is recognised that there are many barriers preventing people who are classed as workless securing sustainable long term employment. It is not proposed to consider barriers to employment in detail in this document. However, there is a need to identify these barriers as part of the inclusive action planning process and the Community and Voluntary Sectors will be pivotal in this work. It should also be recognised that such work will require wider and more innovative consultation to fully understand and overcome the deep rooted issues that are often characterised as lack of aspiration and ambition.

At the higher level, there are two key barriers to success

5.1 Barrier 1 - The skills issue

The skills issue in Wigan is again complex and multi-dimensional. It is accepted that a lack of appropriate skills and qualifications is one of the key barriers to employment. There is a separate piece of work, led by Economic Regeneration Office (ERO) and sponsored by the Learning Skills Council (LSC) to develop an Adult Skills Strategy for the Borough. This strategy will be integrated into the Worklessness Strategy as a fundamental component to address this key barrier.

The skills issue in Wigan can be summarised as:

- **Poor basic skills** - Low basic skill levels are accepted as a key barrier to employment. The 2004 survey of basic skills amongst adults in Wigan identified extremely high numbers of people living in deprived wards with literacy and numeracy issues. For example, in some areas of Norley, over 92% of the adult population have issues with numeracy. Further detail from the 2004 survey is contained within Appendix 3.

- **Lack of formal qualifications**

	Wigan		North West	Great Britain
NVQ4 and above	38,400	20.4%	24.8%	27.4%
NVQ3 and above	71,700	38.1%	43.7%	45.3%
NVQ2 and above	109,400	58.1%	63.6%	63.8%
NVQ1 and above	137,600	73.1%	78.3%	77.8%
Other qualifications	13,000	6.9%	5.8%	8.5%
No qualifications	37,500	19.9%	15.8%	13.8%

Table 3 - Formal qualifications 2006 (Source NOMIS)

The above table clearly illustrates the key issue for the Borough. Wigan has a higher proportion of working age residents with no qualifications and lower proportions qualified to NVQ Levels 2, 3 and 4. This issue is further recognised with the inclusion of targets to increase NVQ attainment in the new LAA.

Increasingly, employers are demanding higher qualification levels in their recruitment process reflecting the changing nature of employment.

- **Lack of appropriate vocational qualifications** – There is an increasing requirement for vocational qualifications even for traditional "low skilled" employment. For example, food hygiene certificates are required to work in the food and catering industry and site safety certificates are required for the construction industry. Employers expect applicants to have such qualifications and are reluctant to fund training if applicants do not. For people on benefits, the cost of gaining these qualifications is often prohibitively expensive.

Appendix 3 provides further evidence data on the skills issue in Wigan.

5.2 Barrier 2 – Low levels of enterprise

Wigan's low levels of enterprise activity are characterised by:

- Below average business density
- Low business start up rates
- Low self employment rates
- Low numbers of women in business
- Low survival rates, particularly in areas of deprivation
- Low levels of innovation
- Weak Knowledge Economy
- Weak social enterprise sector

Strong and vibrant levels of enterprise are essential to provide increased employment opportunities. This will specifically be required to reduce the Borough's dependence on large scale employers who are vulnerable to external factors such globalisation, economic recession and climate issues.

The full analysis of enterprise activity in the Borough is contained within Appendix 4.

6 Mainstream funded activity

Wigan will be in receipt of £21 million of Working Neighbourhoods Fund (WNF) over the next 3 years. There will also be the opportunity to bid for funding from other sources such as European Programmes and Coalfield Funds for example. Whilst these combined resources are significant, there will also be substantial levels of mainstream funded activity.

6.1 Worklessness

Current mainstream activities to address worklessness include:

- **Pathways to work** – Funded by the Department of Work and Pensions (DWP) to help people claiming Incapacity Benefit (IB) back to work. Pathways is only available to help people who have been claiming IB for less than 6 months. Shaw Trust secured the GM wide contract and delivery in Wigan is sub-contracted to Work Solutions (part of the Manchester Solutions organisation).
- **New Deal** – There are several well established New Deal programmes managed by Job Centre Plus. Several of the programmes are only available to people claiming Job Seekers Allowance (New Deal for young people, New Deal 25 plus) but are mandatory after a fixed period of time on benefits.
- **Next Step -** Core IAG service working with approximately 1800 clients per year aged 19+ living or working in the borough. Funded through the LSC and sub-contracted from Manchester Solutions, this service offers support to people who are below Level 2 qualified. The focus is to offer initial intervention in careers advice and guidance in intensive sessions over a short timeframe. The service supports on average 250 clients into work each year. In 2007, a significant success was achieved in supporting the 750 people made redundant from Littlewoods Shop Direct by providing tailored information, advice and guidance to access employment opportunities.

6.2 Skills

Current mainstream activity to address low skill levels include:

- **Train to Gain** - Train to Gain is a national skills service to support employers of all sizes and in all sectors to improve the skills of their employees as a route to improving their business performance. It is a commitment to jointly invest in training, by employers and Government. In return for that commitment, employers can expect that Train to Gain will give them access to:
  - Quality assured advice in identifying skills needs at all levels, from skills brokers and training providers with expertise in their area of business;

- Help to identify and source high quality training and qualifications to meet those skills needs;
- An expert who will pull together a skills solution package which may include government training subsidies, alongside the employer's own financial contribution;
- For those making the Skills Pledge, follow up advice and support that is fully integrated within the Train to Gain Service;
- Access to advice on wider business needs, which will be enhanced from April 2009 with the transfer of skills brokerage to Business Link.

The Comprehensive Spending Review stated that around a third (over £1 billion) of the adult skills and Further Education budget will be routed through Train to Gain by July 2011. Train to Gain is seen as the mainstream vehicle for improving adult skills and will be expanded from an NVQ Level 2 focus to include Levels 3 and 4 and will also include apprenticeships.

- **Adult Community Learning** – Funded through the LSC the ACL service manages a number of programmes across the borough designed to engage adult learners and increase their skills and learning. Current programmes include Skills for Jobs, Skills for Life, Family Learning, First Steps and "leisure and pleasure" learning provision. Many of the programmes target people who under achieved in the education system, are not in employment and/or are low skilled adults. These are delivered at local community venues in particular those in deprived wards through a commissioning model with local schools, colleges, community centres and children's centres.
- **Skills Coaching** – A service which enhances Nextstep by working with those who need to increase their skills in order to achieve employment. More intensive and longer-term support for adult progression into learning and work. The programme works with over 300 clients per year and helps people with disabilities and other significant barriers to employment.

6.3 Enterprise

Mainstream activities for increasing levels of Enterprise are now being consolidated under the Business Support Simplification Process (BSSP) which is the responsibility of the Department for Business, Enterprise and Regulatory Reform (BERR). This process is ongoing and evolving. Current activities include:

- **Business Support** – The Business Link brand is now being promoted as the single point of contact for all business support. The Business Link organisation will only deliver a service to provide information, diagnosis and brokerage (IDB). It will not deliver any direct support services.
- **Business start up** – This service is continually evolving. Currently, mainstream funded business start up support is available for:

- Women – delivered in Wigan by Bolton Business Ventures (BBV)
- Young people – delivered in Wigan by Princes Trust
- People with disability – delivered in Wigan by Blue Orchid
- BME communities – delivered in Wigan by Blue Orchid
- Over 50’s – delivered in Wigan by Blue Orchid
- Social Enterprise – delivered in Wigan by 3SE, part of the Manchester Solutions organisation.

The above services are co-ordinated by an organisation called Action for Employment who secured the GM wide contract for business start up support. In addition there is also a generic start up support service delivered by Inbiz, funded through the NWDA. However, this contract is due to expire in the summer.

7 Gaps in mainstream funded activity

It is generally accepted that mainstream activity is unable to address and help everybody within a stated target group. There will always be sections of the target group where the provision does not meet their exact needs and is therefore ineffective. Furthermore, there may be specific qualification criteria that can exclude significant numbers of people from mainstream provision.

7.1 Worklessness

Current gaps in mainstream funded activity to address worklessness include:

- **Long term IB claimants** – Claimants of 6 months or less will have to participate in Pathways to Work. Longer term claimants are able to volunteer for Pathways, but there is only capacity within the contract for 15% to be volunteers. Over 18,000 have been claiming IB for 6 months or longer.
- **Mental Health claimants** – Pathways to Work does have condition management built into the provision. However, this does not specifically cater for claimants stating mental health as the primary condition.

7.2 Skills

It is apparent that Train to Gain will provide the framework for addressing the adult skills issues. However, it must be recognised that many people in Wigan do not have the entry level skills and qualifications to enable them to participate in NVQ Level 2, 3 and 4 provision, or even apprenticeships. There is mainstream funding for basic skills provision and also for some of the "softer" confidence building courses. However, it is generally recognised that such funding for basic skills and confidence building is under funded.

There is little or no mainstream funding for vocational training and qualifications.

7.3 Enterprise

The generic business start up service contract that ends in the summer will potentially leave an obvious gap in mainstream provision, providing it is not extended or re-tendered. Specifically, if there is no support for generic business start up activity then there will be no help available for white males in Wigan to set up their own business.

Of more concern however is the actual content of provision mandated by the mainstream contract. Further investigation will be required to assess if the mainstream provision is fit for purpose and is able to contribute to increasing levels of enterprise in Wigan.

8 Filling the mainstream gaps

This Worklessness Strategy Document does not propose in detail how to fill all the identified gaps in mainstream provision. Appropriate provision will be identified through the Action Planning process and then procured through the Commissioning Process.

8.1 Proposed approach

There is a need to agree and support an approach for filling identified gaps in mainstream provision. Assuming there is an acceptance that the gap needs to be filled; the following proposed approach can be summarised as series of hierarchical questions:

- **First preference -** Is it possible to fund extra capacity and/or enhanced provision with the existing mainstream provider? Alternatively, can it be demonstrated that allocation of transitional funding would facilitate the bending of mainstream funding over the life of the transitional funding to allow continued delivery.
- **Second preference** – Is it possible to procure provision from an alternative provider that delivers extra capacity and/or enhanced provision?
- **Last preference** – To procure alternative provision to mainstream. This should be only considered if existing provision is considered to be not fit for purpose.

In accepting the above hierarchy, there is an implicit understanding that first preference will potentially eliminate the requirement to procure the additional and/or enhanced provision via open and competitive tender. However, any proposal to fill mainstream gaps should be subject to full appraisal and consideration through the Commissioning Framework currently in development.

8.2 Proposed high level delivery model

Historically, there has been a silo approach to delivery of interventions as illustrated in Figure 2.

Community engagement and recruitment	Community engagement and recruitment	Community engagement and recruitment	Community engagement and recruitment	Community engagement and recruitment
Information advice and Guidance (IAG)	Information advice and Guidance (IAG)	Information advice and Guidance (IAG)	Information advice and Guidance (IAG)	Information advice and Guidance (IAG)
Mainstream Intervention	Funded Intervention	Mainstream Intervention	Funded Intervention	Mainstream Intervention
Employer engagement	Employer engagement	Employer engagement	Employer engagement	Employer engagement

Figure 2 – Traditional silo approach to delivery

Figure 2 is a simplified view of delivery but should be accepted as being representative of the current approach which has evolved over the years. The traditional silo approach has many disadvantages including:

- The approach involves duplication across three of the four components which would suggest inefficiency and unnecessary cost
- The approach encourages competition for clients amongst providers and discourages cross referrals.
- Employers very quickly become less receptive to continuing engagement activity from many providers.

The silo approach is further complicated by the actual interventions working to different funding regimes and timescales.

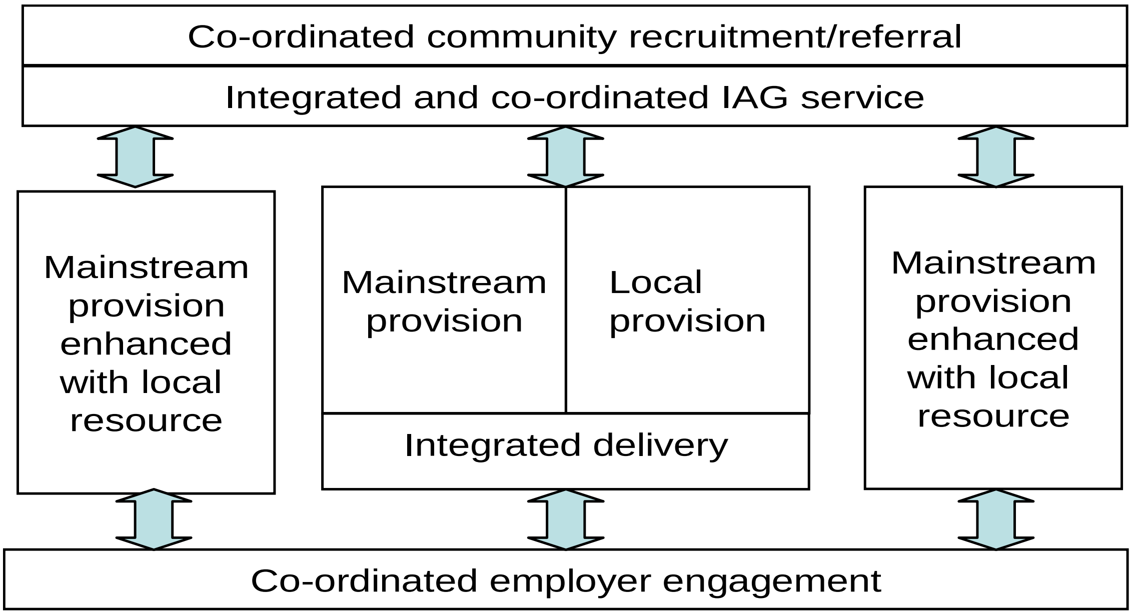

Figure 3 – Proposed integrated delivery model

The model illustrated in Figure 3 will benefit from reduced duplication leading to more efficient and cost effective delivery. For the model to work effectively the basic front and back end infrastructure must be in place before any strategic commissioning of provision.

The model will also accommodate any GM wide provision funded through City Strategy or the emerging Multi Area Agreement (MAA).

It is suggested that the practical implementation of this model could be based on the proven and successful Skill Shop approach.

9 The role of the Community and Voluntary Sectors

All sectors of the community will need to be involved to help people who are able to work into work. Peer support and peer pressure from within the community will be required to underpin innovative approaches.

The Community and Voluntary Sectors will have a pivotal role in the development and delivery of the Strategy:

- Through the consultation process, to provide feedback and generate new ideas to inform the Action Plan
- Through the Commissioning Framework, to be involved in the delivery of appropriate interventions to support the achievement of the Worklessness targets specified within the Local Area Agreement.

10 Appendix 1 – The Manchester Multi Area Agreement

The Manchester Multi Area Agreement is defined by eight distinct building blocks.

10.1 The Greater Manchester Strategic Plan

This building block covers our commitment to prepare a Strategic Plan for Greater Manchester. This will provide a powerful and holistic vehicle for achieving common purpose and joint working between the Manchester family and its partners. Once endorsed and adopted, the Strategic Plan will make explicit all the core objectives of the city region, including, but not exclusively, those which are specifically proposed in this MAA. Thus, the plan will provide an integrated framework against which policy priorities will be determined and delivery and performance will be managed.

We have agreed on the key principles of joint working with the North West Development Agency in respect of the preparation of the GM Strategic Plan and how it will inform the development of, and be reflected in, the new Integrated Regional Strategy for the North West.

10.2 Reducing Worklessness

There are five key areas of work being proposed in this block:-

- Agreement to develop an integrated Employment and Skills Strategy
- Department for Work and Pensions and Manchester to pilot a tailored flexible New Deal, including Manchester involvement in the letting of the flexible New Deal contracts, aligning local authority programmes and resources where appropriate
- Working Neighbourhood Teams are being developed to engage more inactive residents and increase the proportion of stock claimants in our most deprived wards that access employment and skills support
- There will be local enforcement of the 'rights and responsibilities' agenda. We intend to explore opportunities to use housing as an incentive to increase employment across the sub-region, as well as maximize all public sector levers to reduce benefit fraud
- We are committed to developing a Benefits Transfer Pilot, and in particular seeking geographic pilots where single communities cross local authority boundaries.

10.3 Strengthening Our Skills Offer

We support the direction of national policy to move the funding of adult education and training to being much more demand-led and for a stronger employer voice in determining education and training provision for adults. However, improved skills at all levels are crucial to the development of the GM economy and maximizing the potential of its people, and we recognise that there is a danger of taking too simplistic a view about how the markets for education and training and for skilled labour actually work. Through the MAA we have therefore:

- Agreed that Manchester will be named as an Employment and Skills integration trial site
- Agreed that the Economic Development, Employment and Skills Commission will function as the Employment and Skills Board
- Agreed to consider further the need for Manchester city region to be granted Section 4 status re the Further Education and Training Act
- Agreed to agree the role of the Commission in terms of increasing skills, including higher level skills, raising employer demand and collaborating with national agencies.

10.4 Achieving more for 14-19 year olds

Manchester city region is keen to take advantage of the arrangements proposed in the “Raising Expectations” White Paper to create sub-regional structures to carry out 14-19 functions where appropriate. Through the MAA we have therefore:

Agreed that the White Paper proposals regarding 16-19 provision will apply to the city region in advance of the proposed national timetable (September 2009) for shadow arrangements. The arrangements recognise that the legal accountability lies with the LSC until the changes come into effect formally in 2010. The proposition is that local authority 14-19 strategies will seek to achieve consensus on this (in the same way that we are working on improvement educational attainment through the Greater Manchester Challenge).

Agreed to develop a mechanism whereby 16-19 governance arrangements will be aligned with the governance structure, taking a City Region view, and establishing the Economic Development Employment and Skills Commission as the Employment and Skills Board.

Agreed to co-operate with relevant agencies in extending the scope of the Adult Advancement Careers Service and link youth and adult services

Agreed to agree how the Commission should collaborate with the Skills Funding Agency, National Apprenticeships Service and Young People’s Learning Agency to maximise the overall skills commissioning, planning and funding functions.

10.5 Accelerating Business Expansion to Generate Growth

We support the Government’s recent national policy initiatives to enhance enterprise support, accelerate the growth of businesses and improve the rate of new business start-ups and their survival. The current implementation of the Business Support Simplification Programme (BSSP) is equally supported. We are now preparing a new Manchester Enterprise Strategy. This will respond to these national policy initiatives, demonstrate how the MAA targets can be achieved and be fully aligned with the National and Regional Enterprise Strategies. Through this MAA we have amongst other things:

- Agreed to align regional and local resources to deliver improved outcomes for the city region through a process of co-commissioning and co-investment
- Agreed to agree a process for the city region to co-design and co-commission regional programmes with the NWDA.

10.6 Enhancing Investment and Innovation

The collaboration on inward investment across the city region is a real strength and the contribution it has made to regional performance through MIDAS is significant. Through this MAA we have amongst other things:

- Agreed to develop an Innovation Prospectus and gain support from the Department of Innovation Universities and Skills and the Department for Business, Enterprise and Regulatory Reform for an Innovation Partnership for the Manchester City Region
- Agreed to agree how to further strengthen the MIDAS relationship with the North West Development Agency and UK Trade and Investment (UKTI) to promote better investment with the region
- Agreed to develop a package of support measures to enable the city region to compete more effectively for investment against international competitors.

10.7 Ensuring the City Region’s Critical Infrastructure will sustain our Economic Growth

Our proposals for additional investment in delivering the integrated transport strategy will provide a mechanism to tackle congestion and improve connectivity between the communities of Greater Manchester and the employment hot-spots, particularly the regional centre.

No less importantly, we are seeking Government’s active support to develop a process of engagement with the utility networks (power, water, gas and telecommunications) which will ensure that our long-term plans for growth and regeneration are reflected in their investment planning.

We believe this should be possible within the current regulatory framework, so are asking Government to facilitate dialogue between AGMA and the regulatory bodies and utilities providers.

10.8 Meeting the Housing Needs of a Competitive City Region

AGMA’s objectives are to create a balanced, high quality housing offer across Greater Manchester, to meet the rising aspirations of all its residents, and to ensure they have access to quality and affordable homes. We are working to prepare a sub-regional housing strategy which will provide an agreed framework to prioritise intervention and investment in housing markets which are underperforming in terms of their support for economic growth.

To help us deliver these objectives we are proposing to:

- Establish a formal partnership with Homes and Communities Agency, to agree, through the preparation of the sub-regional housing strategy, the priority regeneration and housing outcomes for Greater Manchester.
- Work with the Homes and Communities Agency to develop a toolkit of spatially focused interventions for Greater Manchester, to enhance opportunity, and develop pathways in the city region's housing markets.

We are also asking of Government:

- That Government withdraws the requirement for a Partial Review of Regional Spatial Strategy for the North West, and that the review of housing growth is instead carried out through the new integrated regional strategy. The North West Development Agency and North West Regional Leaders' Forum have agreed to prepare an interim version of the integrated strategy in 2009.

11 Appendix 2 – List of deprived LSOA's

Within the Local Area Agreement (LAA) for 2008 to 2011, there is a specific focus on reducing worklessness in deprived areas. The Department of Work and Pensions (DWP) has identified 32 LSOA's in Wigan as having a workless rate of above 25%. The workless rate is calculated using the total number of people claiming Job Seekers Allowance (JSA), Incapacity Benefit (IB), Lone Parent Benefit (LP) and other income related benefits as a percentage of the working age population (mid year population estimate 2005). The baseline position is May 2007.

LSOA Name	Post 2004 Ward	Worklessness Rate (May 07)
Worsley Hall	Douglas	**46.0%**
Scholes	Wigan Central / Ince	**42.7%**
Higher Ince	Ince	**39.8%**
Worsley Hall North	Douglas	**39.3%**
Marsh Green West	Pemberton	**38.3%**
Worsley Mesnes North	Worsley Mesnes	**37.7%**
Westleigh East	Atherleigh	**37.6%**
Hag Fold North	Atherton	**35.9%**
Marsh Green East	Pemberton	**35.6%**
Norley East	Pemberton	**35.3%**
Higher Folds North	Leigh East	**35.0%**
Hag Fold South	Atherton	**34.5%**
Platt Bridge North East	Abram	**33.3%**
Hag Fold East	Atherton	**32.9%**
Darlington Street East	Ince	**31.8%**
Plank Lane / Crankwood	Leigh West	**31.4%**
Shakerley	Tyldesley	**31.4%**
Woodcock Drive Estate	Abram	**30.9%**
Hag Fold West	Atherton	**30.8%**
Siddow Common	Leigh South	**30.6%**
Beech Hill West	Wigan West	**30.6%**
Scholes / Birkett Bank	Ince	**30.0%**
Chapel Fields Estate North	Hindley	**28.2%**
Platt Bridge North	Abram	**27.4%**
Lower Ince	Ince	**27.3%**
Wentworth	Bryn	**26.7%**
Springfield / Wigan Town Centre	Wigan West / Wigan Central	**26.4%**
Higher Ince / Manchester Road	Ince	**26.3%**
Smithwood	Hindley	**26.2%**
Higher Folds South	Leigh East	**26.1%**
Lower Ince / Ince Green Lane	Ince	**26.0%**
Warrington Road West	Leigh South	**25.3%**
	Average	**32.4%**

12 Appendix 3 – Skills issue in Wigan

12.1 National Policy Context

The recent funding settlement announced in the Comprehensive Spending Review represents the biggest ever Government investment in skills. Of the yearly total of over £3 billion invested in adult skills participation, £1.5 billion will be invested each year in pre-Level 2 learning and progression to help those who are workless learn, progress and get a job. This will also help those who are alienated from society raise their aspirations, be part of the community and to ensure the talents of those who have missed out on skills and qualifications earlier in life are not wasted.

Through *World Class Skills* (Leitch Report), the Government has set the agenda to prioritise the programmes and qualifications so as to transform people's lives and make communities healthier and better off. The ambitions for 2020 are:

- 95% of adults should have functional literacy and numeracy skills
- over 90% of adults should be qualified to at least Level 2
- 68% of the adult population should be qualified to Level 3
- over 40% of adults should be qualified to Level 4 and above

The Learning and Skills Council has lead responsibility for achieving the above ambitions and are reflected in the recently published Statement of Priorities. These priorities are cascaded down through regional and sub-regional plans and structures within the LSC.

12.2 Regional Policy Context

Low skill levels for adults have been identified as a key issue in the North West Regional Development Agencies' Regional Economic Strategy. The skills base of the workforce is critical to the economic development of the region. The Northwest has a skilled population and the number of people with Level 2 and 3 skills is comparable with the rest of England. However, there are a larger proportion of people with no qualifications. This issue is strongly linked to worklessness and concentrated in just nine districts.

At the North West level, the LSC priorities reflect the national LSC priorities.

12.3 Sub-regional Policy Context

The Greater Manchester Economic Development Strategy identifies low adult skill levels as a key issue. A key driver for the strategy is to "Create World Class skills".

At the GM Level, the LSC priorities reflect the national and regional priorities.

Low skill levels are a principle focus for the DWP and LSC ESF co-finance programmes which will fund approximately £70 million of activity in GM over the next 5 years. The funding will be used primarily to support "skills for jobs" activity.

12.4 Local Policy Context

The issue low levels of adult skills were fully reflected in the Wigan Economic Development Strategy and specific interventions to address this issue were proposed in the two Wigan LEGI Bids. Economic Regeneration Office (ERO) is leading on the development of an Adult Skills Strategy for the Borough supported by the LSC. This strategy work will be incorporated into the overall Worklessness Strategy.

12.5 Basic Skills position

Wigan is below average against all comparators for literacy, numeracy and ICT. Of particular concern is Wigan's performance in numeracy. (*Source - DFES Skills for Life Survey, October 2003)*

Wigan currently ranks 329th out of 408 British local authorities for education and skills. (*Source Local Futures "State of the Borough Audit", December 2005)*

Comparing Norley ward (one of the most deprived communities) to Langtree, (one of the most prosperous); we can immediately identify the stark contrasts between the two.

	Literacy rate as % of population		
	Wigan	**Langtree**	**Norley**
Entry level 3 or below	11%	5%	29%
Below level 2	62%	51%	73%
	Numeracy rate as % of population		
	Wigan	**Langtree**	**Norley**
Entry level 3 or below	57%	43%	68%
Below level 2	87%	77%	90%
	Entry Level compared to Level 1 ICT Qualifications		
	Wigan	**Langtree**	**Norley**
Entry Level	67%	44%	82%
Level 1	33%	56%	18%

Table 3 - Basic Skills comparison

In summary, Wigan and our deprived communities in particular are being held back by poor Basic Skill levels in literacy, numeracy and ICT.

12.6 Qualification Levels position

	Wigan (%)	North West (%)	Great Britain (%)
NVQ4 and above	20.4	24.8	27.4

NVQ3 and above	38.1	43.7	45.3
NVQ2 and above	58.1	63.5	63.8
NVQ1 and above	73.1	78.3	77.7
Other qualifications	6.9	5.8	8.5
No qualifications	19.9	15.8	13.8

Table 4 – Qualification Levels in Wigan

The above table illustrates that Wigan as a Local Authority compares poorly against regional and national figures. Of particular concern is the comparatively high number of people with no qualifications.

A relatively low proportion of Wigan’s working age population have Level 4+ qualifications compared with the GM, NW and England averages. Although the proportion with Level 3 qualifications is slightly below the GM average (19.2%) it is above the NW and England averages.

Around a quarter of Wigan’s working age population have Level 2 qualifications, the second highest proportion of all GM districts and above the averages for GM, the NW and England. The proportion of Wigan’s working age population with no qualifications is slightly above the averages for GM, the NW and England.

Compared with the GM and NW averages, Wigan has relatively low proportions of in-work residents working in the more highly skilled occupations such as managers and senior officials, professionals, associate professionals and technical professions. The proportions of Wigan’s in-work residents employed in lower skilled roles such as Process, Plant and Machine Operatives and Elementary Occupations are above the GM, NW and UK averages. Indeed, Wigan has the highest proportion of in-work residents working as process, plant and machine operatives of any GM district.

Source LSC strategic analysis for Wigan, May 2007.

13 Appendix 4 – Enterprise levels in Wigan

13.1 National Policy Context

There are now record numbers of businesses in the UK – some 4.3 million. There are 600,000 more businesses than there were 10 years ago and employment in small and medium sized enterprises has risen by over a million.

Government spends about £2.5 billion, across the whole of the public sector, helping people start a business and helping existing businesses face the challenge of being and staying successful. Some of this money is also spent meeting public policy goals where they impact on business (for example helping business meet the challenge of climate change).

There are over 3000 business support schemes available in England. Support is provided by many organisations including central government departments and their agencies, Regional Development Agencies and local authorities. The large number of schemes means that business can be unclear about what is available to best meet their needs. The Annual Small Business Survey carried out for the DTI's Small Business Service in 2005 showed that over half the businesses surveyed want government support but struggle to find out what is available[3].

In the 2006 Budget the Chancellor of the Exchequer challenged the whole of the public sector to simplify business support by reducing the number of schemes available from over 3000 to no more than 100. The aim is to make it easier for business to access support; use public money more efficiently by reducing the amount spent on administration; and ensure value for money by measuring the effect of business support on the economy and on public policy goals.

The Government has recently created BERR (Department for Business, Enterprise and Regulatory Reform) with the specific remit to ***"promote the creation and growth of business and a strong enterprise economy across all regions".***

13.2 Regional Policy Context

Improving business performance in order to secure economic growth is a key priority for the NWDA and the region at large. To achieve this, the region needs to focus on seven key factors:

- Developing new enterprise and growing existing companies
- Developing higher added value activity in regional sectors
- Innovation to improve productivity in all companies and to exploit the higher education base of the region
- Exploiting the science/research and development base of the region.
- Improving international competitiveness
- Using ICT more effectively and efficiently

- Focusing on sustainable consumption and production

13.3 Sub-regional Policy Context

Within the Greater Manchester Economic Development Strategy, ***Driver 1 (Building Competitive Business)*** and ***Driver 2 (Attracting and retaining investment, visitors and talent)*** illustrate the importance and commitment to the Enterprise Agenda within the sub-region.

13.4 Local Policy Context

The Wigan Economic Development Strategy recognises the issue of low levels of Enterprise in the Borough and aligns goals/drivers of the GM Plan. Enterprise development was a key theme for both the Wigan LEGI bids. Wigan Economic Partnership have commissioned over £500,000 of activity through NRF to increase levels of enterprise in the Borough.

In Wigan there are long standing cultural issues that are holding back enterprise.

There is an inherent belief amongst many people in Wigan that a job should be for life, and when that job disappears, then the only real alternative is the benefits system. The options of self employment or retraining are often never seriously considered. They are not "proper" jobs. Gender stereotyping is also prevalent in Wigan. Women are not expected nor encouraged to pursue careers including self employment. Lack of aspiration and ambition are prevalent traits amongst many people in Wigan, particularly within our deprived communities leading to the low self employment rates and business density.

Wigan and our deprived areas do not perform in terms of enterprise. We have very low business start up rates and poor business survival rates which lead to a much lower business density rate than the regional and national averages. We also suffer from low levels of innovation and have a high number of people working in low value jobs such as packing and process industries.

All these factors combine to produce a Gross Value Added (GVA) gap in Wigan of £1.7 billion. This accounts for 13% of the Regional GVA gap, and almost 6% of the Northern Way GVA gap.

13.4.1 Business density rate

Wigan and our most deprived communities fare badly in comparison to the Greater Manchester, the North West and the national averages.

Business density per 10,000 working age population – April 2006

Source - Beta model Database, April 2006

	UK	NW	GM	Wigan	10% dep
Apr-06	671	632	853	520	575

Table 5 - Business Density

13.4.2 Low level of business start-up

Wigan and our deprived communities once again compare badly to the sub-regional, regional and national averages.

Average business start up rate per 10,000 working age population – April 1999 to April 2006

Source - Beta model Database, April 1999 to April 2006

UK	NW	GM	Wigan	10% dep
66	61	86	48	50

Table 6 - Business start-up rate

13.4.3 Low self employment rate

Levels of self-employment are lower in Wigan at 7.1% of the working age population compared to the regional (7.9%) and national (9.2%) rates.

Source Annual Population Survey, 2005

In our deprived communities the rate of self employed as a percentage of the population aged 16 to 74 is just 4.1%, compared to the Wigan average of 6.21%, the North West average of 7.1% and the 8.3% nationally.

Source - Census 2001

13.4.4 Low numbers of women who are self employed

The number of women in Wigan classed as self employed was 3099, or 2.8% of the female population aged 16 to 74. This compares very poorly against the sub-regional average (3.1%), the regional average (3.64%) and the national average (4.41%). This performance ranks Wigan as the third worst Greater Manchester Local Authority, just above Manchester and Salford.

Source – Census 2001

Figures for 2004 indicate that our position has worsened with now only 2,300 women classed as self employed, a decline of 799, or 25.8%. During this time the gap between Manchester and Salford below Wigan has narrowed considerably.

Source – Annual Population Survey 2004

The self employment rate for women is considerably worse in our deprived communities with only 257 women who were self employed or just 1.52% of female population aged 16 to 74.

Source – Census 2001

13.4.5 Low business survival rates

The figures below are based upon total business survival rate calculated by comparing the actual increase in business stock with the actual numbers of companies formed. Wigan is slightly better than our comparators, but within our deprived communities the survival rate is significantly worse.

Average Business survival rate

Source - Beta model Database, April 1999 to April 2006

UK	NW	GM	Wigan	10% dep
70.0%	73.8%	76.4%	68.9%	82.1%

Table 7 – Business survival rate

13.4.6 Growth in overall business stock

Of real concern is the poor growth of businesses in our deprived communities, at 14.3% well below all the comparators.

Growth in business stock - April 1999 to April 2006

Source - Beta model Database, April 1999 to April 2006

UK	NW	GM	Wigan	Deprived communities
30.2%	25.2%	23.6%	29.8%	14.3%

Table 8 – Business growth

13.4.7 Weak knowledge economy

Wigan ranks 357th out of 408 local authorities, with 23.34% of the companies in the Borough in knowledge-driven sectors. This is significantly below that of the sub-regional (28.61%), regional (27.64%) and UK (30.65%) averages.

Source – Local Futures Group Baseline Study, December 2005

13.4.8 Low levels of innovation

In the 1960's and 70's Wigan had a world wide reputation for mining engineering, led by Wigan Mining College (now Wigan and Leigh College). This reputation in mining engineering and innovation attracted students from all over the World to study in Wigan. We have never replaced this engineering innovation since the decline of coal mining in the UK.

Wigan travel to work area (TTWA) performs poorly in terms of patent applications per 10,000 population. For the period 1990-92, we had just 5 applications compared to National average of 9, and by 1999-2001 it had declined to 4 (National average 14).

A further proxy for innovation used in the report is the percentage of turnover from new and novel products. Interestingly, Wigan does not compare well with the England average for new products, but is better than the average for novel products.

Source - State of English Cities Report, Department of Communities and Local Government, March 2006