

WIRRAL COUNCIL

ECONOMY AND REGENERATION OVERVIEW & SCRUTINY COMMITTEE

16 JANUARY 2013

SUBJECT:	YOUTH UNEMPLOYMENT IN WIRRAL
WARDS AFFECTED:	ALL
REPORT OF:	<i>DIRECTOR OF REGENERATION, HOUSING AND PLANNING</i>
KEY DECISION	NO

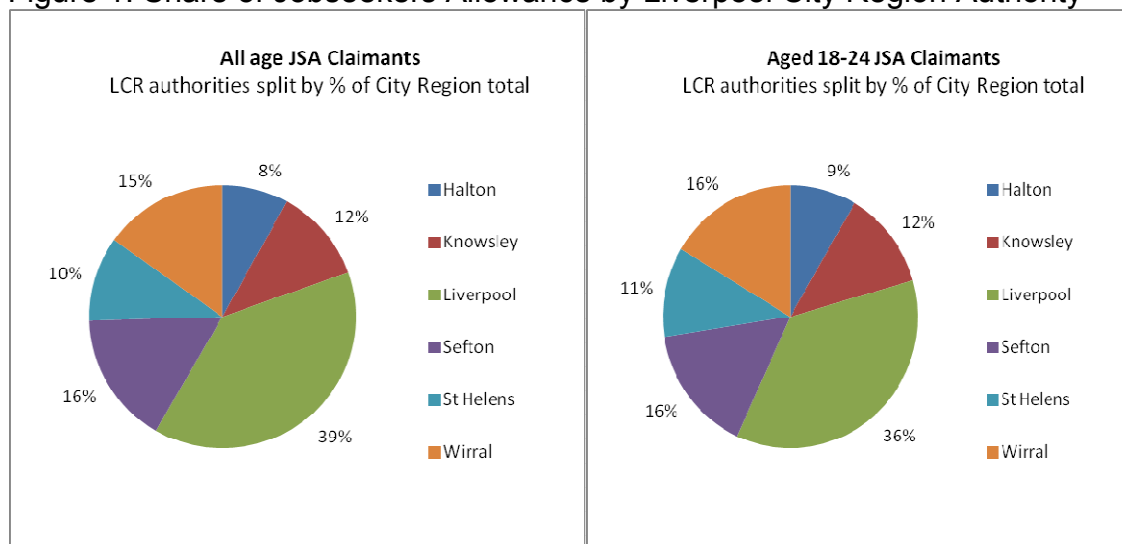
1.0 EXECUTIVE SUMMARY

1.1 At Economy and Regeneration Overview and Scrutiny Committee 5th September 2012 (ref: minute 24), the Chair requested a report on the effect of the economy on youth unemployment. This report provides Members with an overview of the scale of youth unemployment locally and current initiatives available to support young people into employment. A full data sheet of youth unemployment is attached for statistical information at Appendix A.

2.0 BACKGROUND AND KEY ISSUES

2.1 Wirral has the lowest rate of Jobseekers Allowance claimants in the Liverpool City Region, the second lowest rate for 18-24 year olds (Figure 1) and has outperformed regional and national averages for the reduction in numbers over the last year.

Figure 1: Share of Jobseekers Allowance by Liverpool City Region Authority



2.2 The scale of people out of work nationally has increased since 2008 (pre-recession) demonstrated by an 81.4% rise in numbers claiming Jobseekers Allowance in England. The change in scale in Wirral however is far smaller with a 23.8% rise in numbers. Wirral's rate of Jobseekers Allowance claimants is now lower than the North West average and we have significantly closed the gap between Wirral and the England average. Similarly, the scale of young people claiming Jobseekers Allowance nationally has increased with a 64.9% rise in numbers claiming

Jobseekers Allowance since 2008, whereas in Wirral the rise is 22.3%. Further analysis on the scale of youth unemployment in Wirral is provided in Section 4 of this report and Appendix A provides detailed data information.

- 2.3 This comparative good performance can be attributed to a multitude of factors. Notable employment led regeneration projects have come to fruition in the period, such as the £60m mixed use development at New Brighton which has created in excess of 700 jobs across the construction and end user phases. The Council's focus on economic growth through its coordinated Investment Strategy activity links people to jobs with targeted interventions such as the Wirral Apprentice and Worklessness programmes. Sections 5 to 7 of this report detail the range of interventions that are in place to support young people in Wirral into employment. Combined, these contribute to mitigating the effects of the overall economy on youth unemployment locally.

3.0 IMPACT OF POLICY CHANGES

- 3.1 In any assessment of trends over time, it is important to highlight the impact of government policy changes on the recorded number and claim duration of 18-24 year olds in receipt of Jobseekers Allowance.

3.2 New Deal for Young People

Prior to 1998, young people fulfilling eligibility criteria for Jobseekers Allowance were included on registered numbers regardless of the length of time of their claim. When New Deal for Young People was introduced in 1998 (January as pathfinder pilot in Wirral, April nationally), young people entered New Deal at 6 months of their claim and were required to enter employment or move into one of four 'options' by month 10. Options included: subsidised employment, training, community work, and environmental work. All options included removal of young people from the Jobseekers Allowance claimant register. Those who had not secured employment at the end of their 'option' returned to the Jobseekers Allowance register as day one claimants. New Deal for Young People was phased out from April 2010 with a technical cessation date of November 2010.

3.3 Young Persons Guarantee: Future Jobs Fund

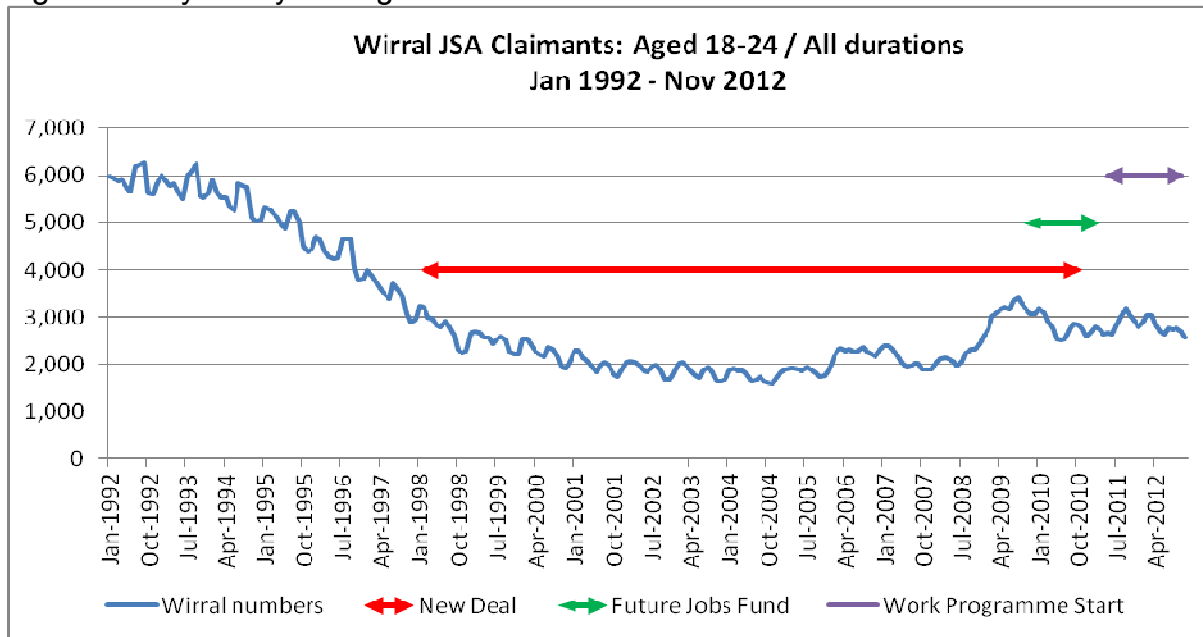
In September 2009 the national Young Persons Guarantee introduced the Future Jobs Fund nationally, a programme that created 685, 26 week paid job opportunities in Wirral for young people claiming Jobseekers Allowance for over 6 months. Those who had not secured further employment at the end of their Future Jobs Fund job returned to the Jobseekers Allowance register as day one claimants. The last recruits to Future Jobs Fund were in March 2011.

3.4 The Work Programme

The Work Programme was introduced in April 2011 to support long term workless Wirral residents into employment, replacing all previous support programmes and initiatives. All young people claiming Jobseekers Allowance are mandated into the Work Programme by the time they reach month 9 of their claim. Referral to this provision however does not result in removal from the Jobseekers Allowance register. This policy change results in an immediate increase in longer term 18-24 year olds Jobseekers Allowance figures, but eliminates the in-flow of young people 'returning' as day one newly unemployed claimants.

3.5 The impact of policy changes for young people on Jobseekers Allowance in Wirral is illustrated in Figure 2.

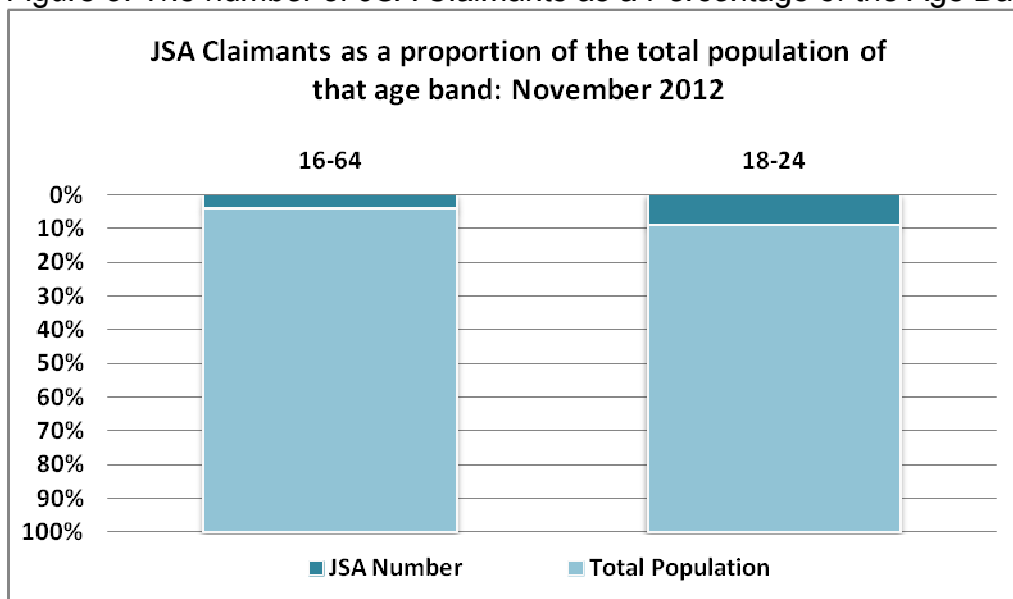
Figure 2: Key Policy Change Points & JSA Claimant Numbers



4.0 THE SCALE OF YOUTH UNEMPLOYMENT IN WIRRAL

4.1 There are 7,942 people claiming Jobseekers Allowance in Wirral which represents 4.2% of the total working age population (16-64 year olds) in the borough. A third of these claimants are aged 18-24, a total of 2,575 young people. This represents 9.9% of all 18-24 year olds in Wirral – which means you are nearly 2 ½ times as likely to be unemployed as a young person as illustrated in Figure 3. Interestingly, this was also the case in April 2008 (pre-recession). 740 of the current young people on Jobseekers Allowance have been claiming for 6 months or more – this is 29% of the overall cohort.

Figure 3: The number of JSA Claimants as a Percentage of the Age Band



- 4.2 Since April 2008 (pre-recession) the total number of working age people claiming Jobseekers Allowance in Wirral has increased by 23.8%. The increase in the numbers of young people aged 18-24 claiming has similarly risen by 22.3%. What is a notable change is the number of 18-24 years olds in Wirral claiming Jobseekers Allowance for over 12 months. This has increased by 1,900% since April 2008, more than three times the average increase across the Liverpool City Region. In April 2008, Wirral had only 20 young people recorded on this register; the latest data for November shows there are now 400.
- 4.3 In September 2012, the then Director of Regeneration, Housing and Planning wrote to DWP to express concern at the increase in the number of young people claiming Jobseekers Allowance for over 12 months. This approach to DWP acknowledged key policy changes effecting the figures (see paragraphs 3.1 to 3.5) but importantly questioned and sought reassurance that their monitoring processes could provide an assurance that young people on the Work Programme were participating in meaningful activity to move closer to the labour market. This resulted in a meeting with DWP National Tier staff who outlined their monitoring processes which centres on performance, minimum service delivery standards and sampling participant records. As a defining characteristic, the Work Programme allows providers flexibility to innovate and design support that addresses the needs of the individual and the local labour market; DWP do not monitor the quality and actual activities young people are undertaking.

5.0 INTERVENTIONS: NATIONAL

- 5.1 In November 2011, the Government announced a £1billion Youth Contract to support unemployed young people into work. The Youth Contract consists of a number of initiatives operating under its banner over the next three years as detailed in paragraphs 5.2 to 5.6. Locally, Wirral Council has negotiated added interventions to ensure all unemployed young people, regardless of benefit type or programme provider, can participate where possible.
- 5.2 Work Programme Wage Incentive: 160,000 wage subsidies worth up to £2,275 for employers who recruit and 18-24 year old from the Work Programme.

Local Context: This initiative is accessed via individual Work Programme providers. Wirral Council hosted a multi-agency Employer Incentives event in June 2012 attended by over 100 employers promoting all locally available wage incentive programmes. Wirral Council have subsequently negotiated a single point of access for employers in conjunction with all three Work Programme providers locally and a joint campaign will be launched in the New Year to promote this incentive in Wirral.

- 5.3 Work Experience: unwaged work experience opportunities for 18-24 year olds not yet entered into the Work Programme.

Local Context: This initiative is accessed through Jobcentre Plus. Wirral Council are developing systems for the generation of training and employment opportunities through procurement. An approach was piloted in the recent procurement exercise for the Worklessness contract awarded to the ReachOut Partnership resulting in 20 work experience placements which will be divided out to Jobcentre Plus as Youth

Contract opportunities; to economically inactive customers via Reachout; and to Work Programme customers via providers.

- 5.4 Sector Based Work Academies: up to 6 weeks job specific pre-employment training for 18-24 year olds not yet entered into the Work Programme.

Local Context: This initiative is accessed through Jobcentre Plus. Wirral Council has secured agreement from Jobcentre Plus locally that pre-employment training for vacancies in Wirral will be accessible to all benefit claimants due to our concerns on long term youth unemployment (paragraphs 4.2 to 4.3). Wirral Met College has been particularly successful in working with employers to design pre-recruitment packages for the unemployed.

- 5.5 Apprenticeship Grant for Employers: for small to medium sized employers who have not had an apprentice in the preceding 12 months, grants of £1,500 to recruit 16-24 year old apprentices.

Local Context: this initiative is funded by the National Apprenticeship Service (NAS) and accessed via apprenticeship training providers. In the Liverpool City Region, NAS has agreed to devolve £600,000 of the 2012/13 budget so that authorities can provide matched finance to support an enhanced offer of £3,000 to eligible employers. Wirral Council is administering this enhanced grant locally utilising matched funds from a City Region ESF pot.

- 5.6 Disengaged 16-17 Year Olds: £126million investment to deliver a programme of support to 16-17 year old NEETs into education, an apprenticeship or job with training.

Local Context: this initiative is accessed via Groundwork UK. Wirral Council is working with Groundwork Cheshire to shape the local offer for young people which will be built around a platform of 1:1 intensive mentoring.

6.0 INTERVENTIONS: LIVERPOOL CITY REGION

6.1 Youth Unemployment Task Force

This was requested in summer 2012 by the Liverpool City Region Employment & Skills Board in response to the rising challenges facing young people in the labour market. The Task Force is made up of two Employment & Skills Board Champions, namely Sue Riley, District Manager of Jobcentre Plus and Councillor Pat Hackett, Portfolio Holder Regeneration & Planning Strategy Wirral Council, supported by a pool of young people (8 recruited) and a pool of business representatives (6 recruited) from across the Liverpool City Region.

- 6.2 The establishment of the Task Force forms part of the City Deals with Government with the aim to halve long term youth unemployment in 3 years (defined as 18-24 year olds in receipt of Jobseekers Allowance for more than 6mths). As part of a wider exercise to support the implementation of the City Deals, Wirral Council offered and was subsequently selected as Core Action Lead/Secretariat to provide the day to day support and co-ordination of the Task Force.

- 6.3 The Task Force has agreed to focus on 5 key activities:
- To review the support that is available for young people in finding sustainable work and its impact including support for enterprise;
 - To review how young people receive careers advice to ensure they make informed choices;
 - To understand the particular issues faced by young people in seeking and accessing sustainable work;
 - To understand the scale of youth unemployment within the Liverpool City Region;
 - To consider the support available for business in taking on young people.

The Task Force will present recommendations to the LCR Employment & Skills Board in February 2013, in line with the City Deal agreement to submit a final report and recommendations in Winter 2012/13.

6.4 Big Lottery Talent Match

In July 2012, the Big Lottery Fund announced the launch of Talent Match, a national investment of up to £100 million over four years to deliver creative ways to help long term unemployed young people find work or start their own enterprise. Funding is directed at voluntary sector organisations in 21 targeted hotspot areas across England focusing on Local Enterprise Partnership (LEP) geographies. An indicative allocation of £6.3m has been identified for the Liverpool City Region. The Youth Unemployment Task Force has been working closely with Merseyside Expanding Horizons and Merseyside Youth Association, the lead organisations developing the Talent Match programme locally.

7.0 **INTERVENTIONS: WIRRAL COUNCIL**

7.1 The Wirral Apprentice

The Wirral Apprentice programme was launched in 2009 and has seen various iterations of support culminating in the current round which offers 9 and 12 month wage subsidies according to the level of apprenticeship framework. Across 4 rounds of the programme, a total of 427 apprenticeship opportunities have been offered, and 496 young people have been recruited, the additional numbers accounted for with early leavers being replaced. In rounds 1 and 2, 60% (119) secured employment beyond the subsidy period (early leavers not tracked or included) and in round 3, 63% (118) secured employment (early leavers tracked and included).

7.2 The Wirral ILM

From September 2012 to August 2013, £190,000 has been invested to support 30 fixed term subsidised job opportunities for local unemployed residents to enable them to build their work-based skills and qualifications. The programme is part of the Council's wider employment support programme to help residents back into work. 50% of recruits to these job opportunities have been in the 16-24 year old age band.

7.3 Worklessness Contract: The ReachOut Partnership

From September 2012 to August 2013, £960,000 has been invested to support a Wirral wide worklessness support contract prioritising disadvantaged groups and residents. Delivered by the ReachOut Partnership, a consortium of voluntary and community sector organisation, it offers bespoke support to move participants closer to the labour market and make the transition into sustainable employment. It also funds 22 Work Clubs which deliver an accessible and supportive community facility

for jobseekers regardless of their employment status, benefit type or the DWP programme they are assigned to. This contract supports all age groups, with a quarter of all participants recorded as aged 16-24 in both the preceding (August 2011-2012) and the current contract. It is interesting to note that in the preceding contract, 16% of all job outputs claimed were secured by 16-24 year olds; whilst in the current contract, 35% of the outputs claimed so far have been secured by this age group.

7.4 Get Involved Programme

£220,000 has been invested in this financial year to support 16-19 year old NEET (not in employment, education or training) young people with a programme of accredited employability skills, including an extended work experience placement in the voluntary, community, faith sector. 26 NEET young people have participated so far with 73% progressing into education, an apprenticeship or employment. Recruitment is currently suspended as part of the Council budget spending freeze.

8.0 RELEVANT RISKS

8.1 Report for information only: no risk implications as a result.

9.0 OTHER OPTIONS CONSIDERED

9.1 Report for information only: no options to consider.

10.0 CONSULTATION

10.1 Report for information only: no consultation implications as a result.

11.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

11.1 Report for information only: no implications as a result.

12.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

12.1 Report for information only: no implications as a result.

13.0 LEGAL IMPLICATIONS

13.1 Report for information only: no implications as a result.

14.0 EQUALITIES IMPLICATIONS

14.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(c) No because of another reason which is:

Report for information only: no proposals to review as a result.

15.0 CARBON REDUCTION IMPLICATIONS

15.1 Report for information only: no implications as a result.

16.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

16.1 Report for information only: no implications as a result.

17.0 RECOMMENDATIONS

17.1 The Economy and Regeneration Overview and Scrutiny Committee note the contents of the report.

18.0 REASON/S FOR RECOMMENDATION/S

18.1 To brief Members on the scale of youth unemployment locally and current initiatives available to support young people into employment.

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APPENDICES

APPENDIX A – YOUTH UNEMPLOYMENT DATASHEET

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date