

# WIRRAL COUNCIL

## REGENERATION & ENVIRONMENT POLICY & PERFORMANCE COMMITTEE

17<sup>TH</sup> SEPTEMBER 2013

<b>SUBJECT:</b>	<b>YOUTH UNEMPLOYMENT IN WIRRAL</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF REGENERATION, HOUSING AND PLANNING</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PAT HACKETT</b>

### 1.0 EXECUTIVE SUMMARY

1.1 At Economy and Regeneration Overview and Scrutiny Committee on 16<sup>th</sup> January 2013 (Cabinet Ref: Minute 46) Members reviewed a detailed analysis of the effect of the economy on youth unemployment. This report provides Members with an updated position. The report is accompanied by an updated statistical Appendix reviewing data changes since the previous report.

### 2.0 BACKGROUND AND KEY ISSUES

2.1 Members received analysis of youth unemployment statistics up to November 2012 in the previous report showing the following headline facts:

- the scale of people out of work and claiming Jobseekers allowance in England rose by 81.4% since 2008 (pre-recession);
- the change in scale in Wirral was far smaller with a 23.8% rise in numbers;
- the scale of young people claiming Jobseekers Allowance in England rose by 64.9% since 2008;
- the change in scale in Wirral was far smaller with a 22.3% rise in number;
- 2,575 young people in Wirral were claiming Jobseekers Allowance representing 9.9% of all 18-24 years olds;
- 740 young people had been claiming for more than 6 months;
- 400 young people had been claiming for more than 12 months

### 3.0 UPDATED POSITION: YOUTH UNEMPLOYMENT IN WIRRAL

3.1 Comparing this with latest data to July 2013 we can advise that the number of 18-24 year olds claiming Jobseekers Allowance in Wirral has reduced by 8.9% with 2,345 young people now claiming. This represents 9.2% of all 18-24 year old Wirral residents.

3.2 Notably, there has been a 10.8% rise in young people claiming for more than 6 months; with numbers rising from 740 to 820. Conversely, the number of young people claiming for more than 12 months has reduced by 10%, down from 400 to 360. If we look at monthly analysis for new claims, we can reasonably attribute this to non-movement of a large influx of new 18-24 year olds onto the Jobseekers Allowance register seven months prior, in January this year. This is typical of seasonal fluctuations in numbers between December and January each year following the Christmas work period. Wirral Council's Investment Strategy (People) Team produce a monthly factsheet of Jobseekers Allowance and officers, in conjunction with Wirral Economic Development & Skills Partnership members, interrogate emerging peaks and troughs and recommend appropriate responses in

local employment support services. Underlying trends will be picked up via this process.

- 3.3 This robust monthly analysis also increases our understanding of differences within the cohort of young people who are claiming Jobseekers Allowance. It reveals that the vast majority of longer term unemployed young people in Wirral fall within the upper age bracket; making young people aged 20-24 years old five times more likely to be unemployed for 6 months or more than 18 and 19 year olds.

#### **4.0 UPDATE ON INTERVENTIONS: NATIONAL**

##### **4.1 Work Programme**

Members received information in the previous report regarding a policy change introduced in April 2011 whereby all young people claiming Jobseekers Allowance are mandated into the Work Programme by the time they reach month 9 of their claim. Previously, young people entered a New Deal for Young People programme at 6 months and were required to enter employment or one of four 'meaningful activity' options. This effectively ensured young people were participating in targeted activity, yet removed young people statistically from Jobseekers Allowance; hence the dramatic increases in longer term youth unemployment recorded in Department for Work & Pensions (DWP) statistics since 2011. Whilst DWP undertake performance monitoring of Work Programme provision as a whole, Members noted our concerns centred on the lack of information available specifically about young people's engagement in meaningful activity whilst participating in the Work Programme.

- 4.2 Members are advised that regular performance meetings are now in place between Wirral Council and Wirral Work Programme providers. A data sharing protocol is in place in accordance with DWP protocols which restricts onward circulation of recent data beyond these performance meetings; however historic statistics are available publicly, albeit subject to a significant data lag. The latest public figures – to March 2013 – reveal that 18-24 year olds account for 42% of all job outcomes secured by Work Programme providers in Wirral compared to 35% nationally. Wirral providers are also outperforming regional and national averages with one in 6 young people engaged in the Work Programme achieving a sustainable job, compared to 1 in 7 nationally (this must be set in the context that many engaged will not have reached their potential sustainable job outcome point at this stage in the data reporting period).

#### **5.0 UPDATE ON INTERVENTIONS: LIVERPOOL CITY REGION**

##### **5.1 Youth Unemployment Task Force**

Members are advised that the Youth Unemployment Task Force has reported its key finding and recommendations since the previous report. The Task Force was set up by the Liverpool City Region Employment & Skills Board as part of the City Deal with Government to halve long term youth unemployment in 3 years. Led by two Employment & Skills Board Champions, namely Sue Riley, District Manager of Jobcentre Plus and Councillor Pat Hackett, Portfolio Holder Regeneration & Planning Strategy Wirral Council, and facilitated by Wirral Council officers; the Task Force was made up of a pool of 14 young people and 8 business representatives from across the Liverpool City Region.

- 5.2 The Task Force scrutinised 5 key areas of activity; reporting headline findings as follows:

### **Understanding the scale of youth unemployment within the Liverpool City Region:**

- In the Liverpool City Region almost 1 in 10 Young People are claiming Jobseekers Allowance;
- Young People aged 20-24 are 5 times more likely to be long term unemployed than 18/19 year olds;
- Long term youth unemployment is reducing at a faster rate than for those aged over 25, although the scale of the challenge cannot be underestimated;
- The Youth Unemployment Task Force is on track to halve long term youth unemployment by March 2015 with a 34% reduction achieved in the first year.

### **Understanding the particular issues faced by young people in seeking and accessing sustainable work:**

- There is intense competition in the labour market and many young people simply do not have the appropriate networks to secure the many vacancies filled swiftly via word of mouth;
- Young people underestimate the value businesses place on attitude, commitment and enthusiasm;
- There are increasing pressures for jobseekers to take 'any job' and a proliferation of temporary vacancies. Who is there to support young people progress?
- Lack of experience is a major barrier to securing employment.

### **Considering the support that is available for young people in finding sustainable work and its impact including support for enterprise:**

- Support is often perceived as delivered on 'one level' in the pursuit of targets – young people and businesses are seeking a personalised offer;
- Employers are seeking greater financial incentives combined with wraparound support;
- Work experience is highly valued by employers and jobseekers but young people face intense competition to access opportunities;
- 14% of employers in the City Region would consider adopting a youth policy.

### **Considering how young people receive careers advice to ensure they make informed choices:**

- Businesses are keen to do more to support careers education with over a third of employers already engaged in offering career insights in schools;
- The clear distinction between academic and vocational routes through education is unhelpful;
- Careers education ought to be embedded at a very early age and job outcomes be an integral part of the performance framework for education.

- 5.3 The Task Force consolidated the findings into seven key recommendations supported by a series of proposed actions for the Employment & Skills Board to take forward namely:
1. Maximise Talent Match – working with the £6m Big Lottery Fund for the City Region led by Merseyside Youth Association;
  2. Champion Work Experience Opportunities – opening up opportunities for all and developing a City Region wide campaign;
  3. Review Financial Incentives – reviewing the offer across the City Region and removing restrictions and limitations that discourage growth;
  4. Create a Youth Policy Campaign – working with businesses to develop a set of youth policy principles;

5. Develop Guidelines for Provision – working with employment and skills providers to develop a set of key principles and minimum standards for provision;
6. Increase the Prevalence of Vocational Skills – conducting a holistic review of the 11-24 education with a view to embedding work skills across the offer;
7. Overhaul Careers Support – conducting a holistic review of the careers support landscape for all ages with a view to reshaping into careers education.

5.4 Accepted by the Employment & Skills Board, the findings and recommendations will help shape future provision and commissioning in the City Region. A Board Champion has been identified for each theme and working groups established to progress implementation; four of which (Recommendations 2, 4, 6 and 7) will be facilitated by Wirral Council officers from Investment Strategy and Children & Young Peoples Departments.

## **6.0 UPDATE ON INTERVENTIONS: WIRRAL COUNCIL**

### **6.1 The Wirral Apprentice**

In line with the Council budget allocation for 2013-14 and delivery model approval (Delegated Decision: Cabinet Member – Economy, Leader of Council 29/07/13), a new round of the Wirral Apprentice will open for unemployed young people in September offering a minimum of 50 new apprenticeship places with local businesses. The new programme will work in partnership with DWP (Jobcentre Plus and Work Programme Providers) and the National Apprenticeship Service (via a devolved Liverpool City Region Grant) to provide enhanced national Youth Contract Wage Incentives.

### **6.2 Worklessness Contract: The ReachOut Partnership**

Following budget approval (Delegated Decision: Leader of Council 24/06/13), the Worklessness contract delivered by the ReachOut Partnership has been extended to 31<sup>st</sup> March 2014. Offering personalised support for jobseekers of all ages in community locations, the contract includes a target to engage 142 young people, accounting for 20% of overall activity.

### **6.3 Work Experience**

As notified to Members in January, Wirral Council has operated a pilot to explore how targeted training and employment opportunities can be generated through Council procurement processes. The pilot was applied to the Worklessness Tender, for contracted services 1<sup>st</sup> September 2012 – 31<sup>st</sup> August 2013. 21 work experience opportunities were secured with the contractor and their partners during this pilot and initial analysis of monitoring returns indicates at least 50% of participants were aged 18-24. Evaluation is currently underway and results will help inform the viability of extending and progressing activity. Initial findings, mirrored in the Youth Unemployment Task Force Report, reveal serious system constraints for businesses and young people in navigating the plethora of work experience administration systems and benefit restrictions. The Strategic Director of Regeneration & Environment has written to the District Manager, DWP to express concern about system constraints within national employment support initiatives with a view to revisiting how the Council can work with DWP to provide universal access to opportunities.

## **7.0 NEW OPPORTUNITIES**

### **7.1 Youth Contract Underspend: Cabinet Office**

Cabinet Office has written to each of the Core City Regions to invite competitive submissions for a share of an estimated £50m national budget for innovative

proposals to support young people into work starting this financial year. Funding is conditional on cities working with local stakeholders and DWP to drive up performance of Youth Contract Wage Incentives. An initial draft submission is required by Cabinet Office by 5<sup>th</sup> September with final submission due 20<sup>th</sup> September. The Youth Unemployment Task Force report provides the basis for a Liverpool City Region response. Wirral Council officers will work with the City Region Team to progress options for Wirral based delivery.

## 7.2 Youth Employment Initiative: European Council

The European Council is giving a high priority to tackling youth unemployment across Member States and has allocated €3bn to a Youth Employment Initiative to be matched against European Social Fund (ESF) allocations for 2014-2020. The UK allocation is approximately €200m with South West Scotland, West Midlands, Inner London, Merseyside and Tees Valley/Durham eligible for funds. The indicative allocation for Liverpool City Region is €27m, will need to be committed by 2015 and will require match funding from both the ESF allocation for the area and local funds. Wirral Council officers will work with City Region partners to develop proposals for inclusion in the European Strategy submission due early October.

## 7.3 Coastal Communities Fund

In April this year, the Big Lottery launched a £21.7m fund on behalf of Crown Estates to support regeneration activities in Coastal Communities. Wirral Council has been successful in the first round submission and invited to develop a competitive second round submission due October 2013. If successful, Wirral Council's Coastal Communities Fund application will include employment and skills activity supporting young people to access sustainable jobs in high demand, significant vacancy volume employment sectors.

## **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 Regeneration & Environment Policy & Performance Committee note the contents of the report.

## **18.0 REASON/S FOR RECOMMENDATION/S**

18.1 To update 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 AUGUST 2013

## **REFERENCE MATERIAL**

Liverpool City Region Youth Unemployment Task Force: Key Findings and Recommendations (*Supporting the Employment & Skills Board deliver a City Region Deal with Government to halve long term youth unemployment*).

Published: May 2013.

Authors: Helen Carney & Beverley Staniford, Wirral Council.

Available to view at: [www.lcrskillsforgrowth.org.uk](http://www.lcrskillsforgrowth.org.uk)

Hard copies available on request.

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Economy &amp; Regeneration Overview &amp; Scrutiny Committee</b>	<b>16<sup>th</sup> January 2013</b>