

WIRRAL COUNCIL

REGENERATION & ENVIRONMENT POLICY & PERFORMANCE COMMITTEE

9TH APRIL 2014

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| SUBJECT: | YOUTH UNEMPLOYMENT IN WIRRAL |
| WARDS AFFECTED: | ALL |
| REPORT OF: | STRATEGIC DIRECTOR OF REGENERATION & ENVIRONMENT |
| RESPONSIBLE PORTFOLIO HOLDER | COUNCILLOR PAT HACKETT |

1.0 EXECUTIVE SUMMARY

1.1 This report provides Members with updated information on Youth Unemployment in Wirral as part of a series of periodic reports presented to Regeneration & Environment Policy & Performance Committee. The report is accompanied by an updated statistical Appendix reviewing data changes since the previous report.

2.0 BACKGROUND AND KEY ISSUES

2.1 As part of the Committee Work Programme, Members have requested periodic reports providing information on Youth Unemployment in Wirral. Each report provides an updated position on:

- The scale of youth unemployment (specifically statistical analysis of 18-24 Jobseekers Allowance data);
- National interventions to tackle youth unemployment;
- Interventions in the Liverpool City Region to tackle youth unemployment;
- Interventions developed locally to tackle youth unemployment;
- Future opportunities of potential significance locally.

3.0 UPDATE ON THE SCALE OF YOUTH UNEMPLOYMENT IN WIRRAL

3.1 Wirral Council's Investment Strategy Team produce monthly factsheets of Jobseekers Allowance enabling the Council and Partners to monitor trends and recommend appropriate responses in local employment support services. The previous report presented data to July 2013 which showed overall reductions but an increase in young people claiming between 6 and 12 months. As anticipated this was a temporary spike, due in large part to seasonal fluctuations in employment. Care must therefore be taken in comparing different periods in the year.

3.2 Analysis of latest data to **February 2014** shows actual numbers of young people moving onto benefit ie: numbers claiming less than 6 months, remains fairly constant across reporting periods; now accounting for almost three quarters of all young people claiming Jobseekers Allowance. However, despite some recent increases, we have seen a continuing positive downward trend with considerable reductions in longer term youth unemployment:

- 2,095 young people claiming Jobseekers Allowance in total representing 8.3% of all 18-24 year olds; a reduction of 10.6% since July 2013;

- 575 young people claiming for more than 6 months; a reduction of 29.8% since July 2013;
- 295 young people claiming for more than 12 months; a reduction of 18.0% since the previous report.

3.3 The Department of Work & Pensions (DWP) work to assumptions that 75% of young people will find work before they reach 6 months unemployment. It is widely acknowledged that the longer an individual is out of work, the harder it becomes to secure employment, with more intensive interventions likely to be needed. As reported in previous updates to Members, the vast majority of longer term unemployed young people in Wirral continue to fall within the upper age bracket; with 20-24 year olds now making up 84% of young people unemployed for 6 months or more.

4.0 UPDATE ON INTERVENTIONS: NATIONAL

4.1 On 27th February 2014, Deputy Prime Minister, The Rt. Hon. Nick Clegg MP announced changes to government support to help young people get into training and employment:

- A new UCAS-style one stop online shop for young people who don't want to go to university. Each Local Authority will be tasked with providing access to a single up to date website to help young people make choices about training, apprenticeships, or other work-based programmes available in their area.
When: to be brought in 'as soon as possible'.
Where: all areas.
- Under new guidance, schools will be asked to improve their provision of careers advice, including a new responsibility to develop close links with employers. This is so that more young people can get the chance to meet successful business people, spend time working in their organisations and access valuable support like coaching or mentoring from people in the careers they want to do.
When: to be brought in 'as soon as possible'.
Where: all areas.
- Help at Job Centres for 16 and 17-year-olds for the first time. Currently, Job Centres only provide support to those aged 18 and above who are on benefits and looking for work. Support will include help in writing CVs and application forms or training for interviews.
When: Spring 2014.
Where: Pilot in Lewisham.
- A pilot scheme for 18 to 21 year olds without Level 2 English and maths. Their Jobcentre Plus advisor will identify this from day one of their claim and put them on training courses immediately. If people refuse to do this training, they won't get their benefit. Two options will be trialled: the first involves a mixture of face to face and online support, and the second is online only.
When: Autumn 2014.
Where: Kent, Mercia, Somerset, Devon & Cornwall.
- A pilot to ensure all 18-21 year olds who have been in receipt of Jobseekers Allowance for 6 months receive access to a work experience opportunity.
When: Autumn 2014.
Where: Kent.

4.2 Following on from the Autumn Statement when the Chancellor announced that National Insurance Contributions will be abolished for young people earning up to the Upper Earnings Limit in 2015/16, the following measures to support young people were announced in Budget 2014:

- Increases of 2% for the youth and apprentice National Minimum Wage rates from October 2014;
- An extra £85 million in 2014-15 and 2015-16 to extend the national Apprenticeship Grants for Employers (AGE) scheme;
- £20 million to support the development of degree and masters level apprenticeships.

5.0 UPDATE ON INTERVENTIONS: LIVERPOOL CITY REGION

5.1 Youth Unemployment Task Force

In the previous report, Members received a summary of the Liverpool City Region Youth Unemployment Task Force findings and recommendations accepted by the Employment & Skills Board to help shape future provision and commissioning in the city region. Activity continues with working groups established to drive forward implementation of the 7 recommendations. Highlights of recent activity in the city region in support of the recommendations include:

- Personalised Support: Commencement of the Big Lottery Talent Match programme across the city region in November 2013 which will work with 1,625 long term unemployed 18-24 year olds via a personalised pathway of support;
- Work Experience: A stakeholder workshop for providers from across the city region, facilitated by DWP and Wirral Council to begin to tackle standardisation and simplification of work experience administration to support improved employer access and participation;
- Guidelines for Provision: A draft 'pledge to young people' drawn up by city region further education providers;
- Careers Support: Inclusion of a two day Skills Show Experience at the International Festival for Business 2014 (17th & 18th June, Aintree Racecourse), an interactive careers event offering 'Have a Go' demonstrations and presentations in the key growth sectors, with 6,000 young people booked to attend from across the city region: <http://www.lcrskillsforgrowth.org.uk/?p=1147>
- Careers Support: Launch of updated online careers resources for young people, parents and teachers to support information advice and guidance on the key growth sectors: <http://www.connexionslive.com/jobsfortomorrow.aspx>.
- Vocational Skills: Launch of the city region 'Apprenticeship Works: The Hub' – an online web resource for young people, employers and parents offering information, advice and guidance on apprenticeships across the city region aiming to increase local demand for apprenticeships by working to create the best possible opportunities for learners and employers in line with local priorities: <http://apprenticeshipswork.org.uk/about-us/> ;

6.0 UPDATE ON INTERVENTIONS: WIRRAL COUNCIL

6.1 Financial Incentives: The Wirral Apprentice

In line with the delivery model approved last year as part of the new annual £80,000 Council budget (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 April offering a minimum of 55 new apprenticeship places with local businesses. As in 2013/14, the programme will work in partnership with DWP

(Jobcentre Plus and Work Programme Providers) and the National Apprenticeship Service (via apprenticeship training providers) to provide enhanced national Youth Contract Wage Incentives.

6.2 Personalised Support: Worklessness Contract – The ReachOut Partnership

Following 2014 budget approval, the Worklessness contract delivered by the ReachOut Partnership has been extended from 1st April 2014 to 30th January 2015 (Officer Decision Notice: Strategic Director of Regeneration & Environment 06/03/14). Offering personalised support for jobseekers of all ages in community locations, the contract includes a target to engage 204 young people, accounting for 20% of overall activity.

6.3 Careers Support: Pop Up Talent Wirral

Forum Housing, Wirral Council, Wirral Metropolitan College, Greater Merseyside Connexions Partnership and Jobcentre Plus are working in partnership to launch Pop Up Talent Wirral, an interactive careers experience for 16-24 year olds. The first event, led by Forum Housing, will be held on the 9th and 10th of April, at the Wirral Met Learning Shop, The Pyramids, Birkenhead where young people will have the opportunity to speak to employers direct, 'have a go' at work activities and find out how they can move into different sectors and access jobs. Wirral Council facilitates the Wirral Economic Development & Skills Partnership¹ and will work with partnership members to roll out Pop Up Talent with the aim of different partners taking the lead 4 times a year. Planning is currently underway for the next event led by Wirral Council as part of Wirral's programme of activities for the International Festival of Business in June.

6.4 Opening up Access to Opportunities: Jobs Fairs

Following the hugely popular Jobs & Information Fair held in support of the New Brighton Development in May 2011 which saw 4,000 people attending the Floral Pavilion, Wirral Council and Jobcentre Plus are working in partnership to open up access to opportunities. An International, National & Local Jobs Fair was held in New Brighton in January in conjunction with EURES (European Employment Services) attracting 2,000 people, with over 40 businesses in attendance offering vacancy and recruitment information. Wirral Council is now working with R&A contractors, Wirral Metropolitan College and Jobcentre Plus to provide pre-employment training and access to temporary opportunities at the Open Championship, with a mini Jobs Fair planned in advance of the event.

7.0 NEW OPPORTUNITIES

7.1 Youth Contract for Cities

In July 2013 Government announced an opportunity for Core Cities to submit competitive submissions for a share of an estimated £50m national budget for innovative proposals to tackle youth unemployment. The Youth Unemployment Task Force report provided the basis for the Liverpool City Region response submitted in September 2013 by Knowsley Council. On 7th March Knowsley Council received a grant offer letter from DWP outlining an allocation of £5.8m for the city region; this

¹ WEDS is a partnership of employment and skills organisations led by Wirral Council, including representation from DWP & SFA providers, and Voluntary/Community Sectors. The Partnership develops and delivers multi-agency solutions to reduce worklessness and provide a skilled workforce to meet the demands of local business and future investment in the borough.

was the largest allocation nationally. A full report will be taken to Cabinet to notify the outcome of the award and the implications for Wirral. This is likely to involve a competitive tendering process; therefore elements are likely to remain exempt.

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 (YEI) from 2014 to 2017. The UK allocation is approximately €200m and the indicative allocation for the Liverpool City Region is €27m (approx £22m). This will require match funding from both the city region ESF allocation and local funds. The Liverpool City Region EU Structural & Investment Fund Strategy for 2014-2020 details significant investment to support the reduction of Youth Unemployment. Out of a total £77.6m ESF allocation, £30m will be used to support youth unemployment and NEET. The ESF spend profile will be significantly front loaded owing to the requirement to match these funds with the YEI which has to be spent by 2017.

| Total ESF Allocation (2014-2020) | ESF Allocated to Youth Unemployment (2014-2020) | Additional YEI Allocation (2014-2017) | Total ESF & YEI allocation for Youth Unemployment (2014-2020) |
|-------------------------------------|--|--|--|
| £77.6m | £30m | £22m | £55m |

7.3

Coastal Communities Fund

In the previous report Members were advised of Wirral Council's success in the first round submission to the Big Lottery/Crown Estates £21.7m fund set up to support regeneration in Coastal Communities. Government announced the successful second round applications in March 2014. Wirral Council's submission was not included in this announcement; however, we have been invited to revise some details of the application for further consideration by Ministers by May 2014. If successful, Wirral Council's Coastal Communities Fund application will provide 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 FEBRUARY 2014

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. Hard copies available on request.

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|---|---------------------------------|
| Economy & Regeneration Overview & Scrutiny Committee | 16 th January 2013 |
| Regeneration & Environment Policy & Performance Committee | 17 th September 2014 |