

CITY OF
WOLVERHAMPTON
COUNCIL

Cabinet

30 November 2016

Time	4.00 pm	Public Meeting?	YES	Type of meeting	Executive
Venue	Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH				

Membership

Chair Cllr Roger Lawrence (Lab)
Vice-chair Cllr Peter Bilson (Lab)

Labour

Cllr Claire Darke
Cllr Steve Evans
Cllr Val Gibson
Cllr Milkinderpal Jaspal
Cllr Andrew Johnson
Cllr John Reynolds
Cllr Sandra Samuels
Cllr Paul Sweet

Quorum for this meeting is five Councillors.

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

Contact Jaswinder Kaur
Tel/Email Tel: 01902 550320 or jaswinder.kaur@wolverhampton.gov.uk
Address Democratic Support, Civic Centre, 1st floor, St Peter's Square, Wolverhampton WV1 1RL

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

Item No. *Title*

- 8 **Tackling Youth Employment in the City** (Pages 3 - 14)
[To consider a proposal on tackling youth employment in the city]

Cabinet Meeting

30 November 2016

Report title	Tackling youth unemployment – part of a new approach to improving the city's employment rates		
Decision designation	AMBER		
Cabinet member with lead responsibility	Councillor John Reynolds		
Key decision	Yes		
In forward plan	No		
Wards affected	All		
Accountable director	Keren Jones, Service Director		
Originating service	City Economy		
Accountable employee(s)	Keren Jones	Post-16 lead	
	Tel	01902 554739	
	Email	keren.jones@wolverhampton.gov.uk	
Report to be/has been considered by	Strategic Executive Board 22 November 2016		

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Endorse the analysis of gaps in youth employment support within the city, particularly in relation to in-work support.
2. Approve the proposal for a new partnership between the City of Wolverhampton Council and the Department of Work and Pensions.
3. Approve an allocation of £100,000 from the Budget Contingency Reserve to fund the programme during 2016/17.
4. Approve the inclusion of the following revenue budgets to fund the programme in the final Budget and Medium Term Financial Strategy report to Cabinet in February 2017:
2017/18 - £500,000
2018/19 - £500,000

2019/20 - £400,000

Recommendations for noting:

The Cabinet is asked to note:

1. The governance structure and partnership approach to achieve effective delivery.
2. The linkages to other youth pre-employment and employment provision and Post-16 educational provision.

1.0 Purpose

- 1.1 The purpose of the report is to advise Cabinet on:
 - the scale and root causes of youth unemployment
 - the overall approach being undertaken to address the city's overall unemployment problems, under the auspices of the Skills and Employment Board
 - resources that have recently been secured to tackle the youth unemployment, particularly in relation to pre-employment support
 - The need to develop local recruitment approaches, provide support to young people and employers in the early days of employment, together with advice on in-work progression.
- 1.2 The report seeks Cabinet approval for:
 - a new partnership between the City of Wolverhampton Council and the Department of Work and Pensions
 - an allocation of £100,000 from the Budget Contingency Reserve to fund the programme during 2016/17.
 - the inclusion of the following revenue budgets to fund the programme in the final Budget and Medium Term Financial Strategy report to Cabinet in February 2017:
2017/18 - £500,000
2018/19 - £500,000
2019/20 - £400,000

2.0 Background

- 2.1 A recent report on youth unemployment, “**The employment landscape for young people in the UK – challenges and opportunities**” (Ernst and Young, July 2016) highlighted the high levels of youth unemployment in the City of Wolverhampton. The scale of the problem is summarised in the attached info graphic. Appendix 1 *Youth Unemployment facts and figures*.
- 2.2 **The root causes of youth unemployment:** Across the UK, young people are three times more likely to be unemployed than the rest of the population.
- 2.3 Recognising the critical role of education, Wolverhampton has prioritised working with schools to improve standards. The city now performs relatively well with education attainment (measured by 5 or more GCSE's including Maths and English) closing the gap with the national average, high levels of education participation and low levels of NEETS. However, this is not translating into low levels of youth unemployment.
- 2.4 The House of Commons subcommittee for Education, Skills and Employment, have reported that “too many young people are leaving education without the tools to help them consider their future options or how their skills and experience fit with opportunities in the job market”. This is supported by local survey evidence that a quarter of employers say 16 year old leavers lack work/life experience and one in five says this is also the case for 17 – 18 year old leavers.
- 2.5 Youth Employment UK, a leading membership organisation dedicated to tackling youth unemployment and the Secretariat for the All-Party Parliamentary Group for Youth

Employment, set out the range of causes for the comparatively high levels of youth unemployment:

The legacy of post-recession economic restructuring, a lack of opportunity at a critical point in a young person's life, coupled with qualifications that do not necessarily equip them for the new jobs in today's local economy.	
Lack of job opportunities	Gaps between education and employment
Young people's lack of the right skills needed for work	Employers preference for experienced staff
Lack of credentials	Young people's expectations
Lack of qualifications or appropriate qualifications	Lack of accurate and engaging careers information
Rise in state pension age and levels of debt affecting retirement age	Employment legislation
Recruitment methods	Employers perceptions of young people
Poor vocational options	Lack of quality vocational pathways
Welfare issues	Workfare issues

- 2.6 Many of the factors cited above are prevalent in Wolverhampton. Much is being done to improve education and learning and also stimulate economic growth and create job opportunities. However, the evidence is increasingly showing that these factors alone will not address the problem, given its scale and the complexity of the root causes.
- 2.7 Ernst and Young recommend that in parts of the UK where there is a high concentration of youth unemployment there is a the need to improve the transition from education to work, alongside locally designed initiatives to attract young people into sectors such as manufacturing and construction, as well as growth sectors such as distribution and hospitality. In particular, Ernst Young advocate that local employers and young people should be actively involved in developing local solutions.
- 2.8 **The Skills and Employment Board:** Recognising the scale of the overall employability problems in the city, a multi-agency Skills and Employment Board was established in 2016 to drive forward the Skills and Employment Action Plan for the City. The priorities in the plan are based on the findings and recommendations of the independent Wolverhampton Skills and Employment Commission. The Wolverhampton Skills and Employment Board is chaired by a local business leader and is made up of

representation from local employers, schools, further education, higher education and the voluntary sector are all involved, together with the City of Wolverhampton Council (CWC), Jobcentre Plus (JCP) and the Department for Work and Pensions (DWP). The work is overseen by the City Board.



- 2.9 The Wolverhampton Skills and Employment Action Plan aims to transform the whole Skills and Employment system for both young people and the adult working population. Early priorities for delivery are:
- **The City Work Place**, focused on fully integrating workforce recruitment and development into the City's business support offer delivered through the Growth Hub. Additional external resources have recently been secured to support the city's small and medium sized businesses.
 - **The City Workbox**, focused on creating a fully functioning, interactive website which will act as a 'front door' to provide local people, businesses and providers with improved access to information, advice on skills and employment. The Workbox aims to be customer focused site, providing information, advice and guidance to young people and adults about everything that is available in the city to get a job and progress within the world of work. The website will drive customers to the right level of support through a clear set of customer journeys. It will be aimed at those seeking to enter employment as well as those currently in employment who want to up-skill and progress in work. Over 100 local stakeholders including young people, schools, businesses and training providers are now being involved in its branding and functionality.

Behind the customer facing website, there will be a system that enables local skills and employment providers to collaborate to ensure that people are getting the right quality of advice and support when they need it.

- **The Learning City** is focused on the development and delivery of the City Centre Learning Quarter. The aim is to join up library services, vocational learning, further

education, and higher education to create an innovative, modern and existing offer to people of all ages and backgrounds, including young people and families. Alongside this the council is collaborating with the University on a whole systems approach to the creative economy within the city's cultural quarter which will encompass informal learning and work experience, as well as formal education and training.

- 2.10 What is specifically available to support young people?:** Alongside these three transformational programmes that are aiming to improve the whole employment system, there are two established services that are focused on supporting young people back into education and employment. These are:
- Connexions for young people (NEETS) provides engagement, advice and support to young people aged 16 – 19, at risk of not being in employment, education or training (NEET) or who are NEET, in order to increase their participation in education, employment or training. Connexions carried out 5,353 Interventions with young people between August 2015- July 2016
 - Youth Offending Team (YOT), working with young people under 18 who get into trouble with the police or is arrested, is charged with a crime and has to go to court or is convicted of a crime and given a sentence. Currently local support includes a part-time Connexions adviser to support young people move into employment, education and training.
- 2.11** Recognising that this alone is inadequate to tackle the size of the problem, CWC has worked with local partners to secure substantial amounts of external funding to support the city's young unemployed into employment, including:
- The £7.927m European Social Fund (ESF)/Youth Employment Initiative (YEI) Black Country *IMPACT* project will support young people between 15 and 29 not in employment, education or training. Wolverhampton's targets are to engage 3,342 young people, provide 1,237 with a customised support package and support 920 into employment, education and training.
 - Headstart, which will equip young people to cope better with difficult circumstances, preventing them from experiencing common mental health problems before they become serious issues.
 - Individual Placement Support (IPS) provides an employment pathway for people with mental health needs in the City. CWC, JCP and Impact are currently developing a jointly funded project for 36 young people and adults seeking work.
- 2.12** CWC also works with the following partner led projects that are delivering tailored support to support the most vulnerable young people into employment. This includes:
- Talent Match Black Country targets young people aged 18-24 who have been out of work, training or education for at least 6 months and who require additional support to overcome specific barriers to employment. The focus is on young offenders; young carers/parents; travelling families; disabled young people; young people engaged in

substance misuse; and those who are homeless. The local hub is based on the YMCA.

- Supported Internships are personalised study programmes for young people with learning difficulties and/or disabilities aged 16 to 24 with an Education, Health and Care Plan who want to move into employment and need extra support to do so.
- Wolverhampton's Business Champions represent the city's leading strategic businesses and together support apprenticeships across the city and also offer work with schools to build links between education and business. The city has 8 champions, 20 companies engaged and 30 schools engaged in this programme.
- The Careers and Enterprise Company (CEC) are an independent company set up by Government to inspire young people in relation to careers and employment. Their core programme is the Enterprise Adviser Programme which aims to recruit senior business people, induct and assign them to a school to work with the senior management team to improve the schools employer engagement.
- The original offer to Wolverhampton via the Local Enterprise Partnership would have seen less than half the schools in the City benefit. The Council, backed by the Business Champions brokered a local version of the programme so that a member of the EBP team will place an adviser in all secondary schools in the City.
- One of the specific recommendations from the Wolverhampton Skills and Employment Commission was to establish a Retail Academy and work is underway to set this up in the City Centre. Although it will be open to local people of all ages, it will provide an important route into employment for many young people. It will be delivered through a partnership between the Mander Centre, the City of Wolverhampton College and CWC and offer a range of pre-employment qualifications, pre-apprenticeship training, traineeships and apprenticeships.

2.13 **Why is more needed?:** Appendix 1 shows that the vast majority of the external funding locally secured, around £26.7 million is for short time limited pre-employment programmes, at least £10 million of which is due to come to an end in 2017. Nearly all provider led youth employment programmes in the city are constrained in how the funding can be used. A key issue is that only limited support young people and employers can be provided once a young person is in work, yet local evidence shows that job retention is a key issue for many young people new into the labour market.

2.14 **In contrast only £150,000 is currently available for direct support to employers**, yet the recent research by Youth Employment UK has identified that much earlier engagement and collaboration with employers is important, including:

- Working with employers to ensure that carers advice is aligned to the economy,
- That local labour market information and intelligence is presented in ways that are motivating to young people
- Increasing employer support for those employing or thinking of employing, a local unemployed person
- Encouraging employers to utilise existing staff to train, mentor, develop and support new younger staff

- Encouraging local employers to individually, and sectors, build their own local talent pool and enable knowledge transfer from the ageing workforce, as well as helping young people to value work of all entry levels
- Helping employers to recognise the value of skills and behaviour, as well as academic criteria.

3.0 Working Wolverhampton (*working title*) - A new partnership between the City of Wolverhampton Council and the Department of Work and Pensions

- 3.1 On 15th November 2016 the Leader of the Council, the Managing Director and met with Sandra Lambert, Regional DWP Manager, to discuss strengthening partnerships between the council and DWP in order to reduce local unemployment, and in particular youth unemployment.
- 3.2 Drawing on successful programmes that have been delivered in other parts of the Country, it was agreed that the two organisations would design and deliver a be-spoke three year work programme for the city, which consists of the following:
- Each organisation to commit to providing £1.5 million over a three year period towards the costs of a new, locally branded programme
 - Deliver 3000 people into sustained employment over the three year period, of which at least 1,000 will be young people
 - Jointly recruit and manage a team of 30 “Work Coaches” who would coach young people and employers through all three key stages of the employment journey: a) into work, b) during the first three months of employment, c) career development
 - Launch the “Wolverhampton Work Pledge Card” in January 2017 in collaboration with the largest employers in the city. To include pledges to provide meaningful work experience and a commitment to local recruitment
 - Work with local employers, particularly the largest employers that are committed to helping the city tackle this issue. The focus will be on delivering the employer led activities that Youth Employment UK have identified that are key to tackling the levels of youth employment as set out in 2.6. This will include obtaining buy-in the Wolverhampton Business Champions, City Economic Growth Board, the Black Country Growth Hub, The Black Country Chamber of Commerce
 - Develop and manage a pool of City Work mentors to provide additional support to young people alongside the Work Coaches
 - Build local employer commitment to employing local people as part of the City’s Local Procurement Charter.
- 3.3 Development and delivery of the programme will be overseen by a **Project Board** comprised of senior management across both organisations – Department for Work and Pensions and City of Wolverhampton Council. The Board will oversee and monitor the performance of the project and act as champions of the initiative through wider strategic and business relationships at Local Enterprise Partnership and Combined Authority level. The Project Board will meet monthly. The CWC Executive Board will also receive regular progress reports.
- 3.4 Engagement of employers as active partners will be through the City Board structures i.e. the Skills and Employment Board and the Economic Growth Board, as well as through the Wolverhampton Business Champions.

- 3.5 A dedicated full time **project manager** role will be appointed who will responsible for all aspects of project management including finance, marketing and operations.
- 3.6 **Weekly briefings** will also be provided to Project Board members in the set up stage of the project to ensure that the project is established smoothly and effectively, that monitoring and performance frameworks are agreed across both organisations and that issues such as branding, location and data sharing are given sufficient attention in the early phase.

4.0 Financial Implications

- 4.1 The costs of the programme set out in paragraph 3.2 are estimated at £3 million which will be shared equally between the Council and DWP. Costs up to a maximum of £100,000 could be incurred during the current financial year and will be met from the budget contingency reserve. The budget for future years (£500,000 in 2017/18, £500,000 in 2018/19, and £400,000 in 2019/20) will be included in the final Budget and Medium Term Financial Strategy report to Cabinet in February 2017.
- 4.2 Based on cost-benefit analysis data (New Economy model) which calculated average costs across a wide range of themes including crime; education and skills; employment and economy; fire; health; housing; and social services, the fiscal benefit of supporting residents into work, including an element for reduced usage of NHS services associated with employment is £10,300 from a Job Seekers Allowance (JSA) claimant entering work and £9,100 from an Employment Support Allowance (ESA). The main direct cost saving to the public purse in addition to the actual JSA/ESA payment will be the cost of any housing benefit/ local housing allowance and Council Tax support.
- 4.3 Based on this assumption with the target of supporting 3,000 people into work, based on the assumption that 50% are claiming JSA and 50% claiming ESA, this could potentially result in fiscal savings of over £29 million (without taking into account deadweight where people would have got a job anyway).
[MF/24112016/N].

5.0 Legal implications

- 5.1 The Council will have a key role in helping to deliver this programme, working with the DWP and other providers to target youth employment.
- 5.2 The Council's statutory duty to provide education and/or training currently extends to 16-19 year olds. The Council can also rely upon section 111 of the Local Government Act 1972 which allows the authority to do anything which is calculated to facilitate, or is conducive or incidental to its statutory functions to extend the current and any future schemes to cover 20-24 year olds. The exercise of these powers will also be subject to express statutory restraints such as the public sector equality duty, procurement and state aid rules.
[RB/24112016/E]

6.0 Equalities implications

- 6.1 This proposal seeks to address inequalities in the labour market for those with protected characteristics, particularly young and disabled people. The details of the new scheme will be subject to the Council's standard equality assessment processes.

7.0 Environmental implications

- 7.1 This report has no environmental implications.

8.0 Human resources implications

- 8.1 Recruitment of the new project team will follow City of Wolverhampton Council's standard recruitment practices.

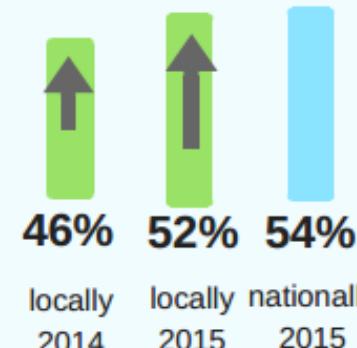
9.0 Corporate landlord implications

- 9.1 This report has no corporate landlord implications.

YOUTH UNEMPLOYMENT - WHAT'S THE PROBLEM?

LOW ASPIRATIONS

Educational attainment (5, A*-C GCSE's)



However despite performing relatively well, this is not translating into youth employment

Higher proportion of young people engaged in education and training
86.5%

STIMULATING LABOUR DEMAND

£992 million planned creating thousands of jobs

However

High rates of in commuting due to low Wolverhampton skills levels.

Number of Apprenticeships is low compared to regional and England

PREPARING YOUNG PEOPLE FOR WORK

1380 **4.98%** **4th**

18-25s unemployed (in receipt of JSA, July 2016)

more than double the national rate of 2.12%

highest unemployment in 18-24s in the UK

1030 18-24s in receipt of health related benefits:
62% due to mental or behavioural disorders (compared to 46% of all claimants) rising to 80% for females



BARRIERS TO EMPLOYMENT



- Work readiness
- English and Maths
- Lack of exposure to the workplace



- Drug and alcohol
- Mental Health
- Multi-generational worklessness
- Lack of peer models



Employers feedback:

Poor quality CV's, lack of understanding of roles, work placement requirements and contractual responsibilities resulting in lack of retention in the workforce.

THE STRATEGY		PRE-EMPLOYMENT		IN EMPLOYMENT		PROGRESSION IN WORK	
VALUE	TIME PERIOD	CURRENT INITIATIVES					
£££m	On-going	 Mainstream JCP support but often only available to young people claiming benefits		 UC clients			
£900k	on-going	 Independent careers advice through Connexions					
£10m (Black Country)	2015-2017	 Working with young people 18-24 with additional support needs					
£188k	on-going	 CWC's -16-18 Apprenticeship scheme (121 completed, 18 completers secured posts and 34 work experience programmes over past 12 months)					
£7.9m new 2016-2018	2016-2018	 Targeting 16-29 year olds not in education, employment or training,(3343 young people engaged, 856 into employment, training, traineeship or apprenticeship)					
£8.8m new 2016-2021	2016-2021	 Equipping young people to better cope and prevent mental health issues					
£226k	new on-going	 Job brokerage service enhancing support to access local jobs and apprenticeships					
£225k	new on-going	 CWC's Skills for Growth team engage local businesses, facilitate recruitment and support employment to match local people to employers					
£150k	on-going	 Education Business Partnership- work experience, work related learning, enterprise, careers and STEM					
CSR	on-going	 Business Champions supporting apprenticeships, work experience and placements (8 champions, 20 companies and 30 schools)					
2017-2027	on-going	 Retail academy					
	on-going	 Growth pledge -committed employers offering investment in skills mentoring, work placements and apprenticeships					
	on-going	 Procurement Charter embeds upskilling and creation of training opportunities and contracts					