

Audit and Risk Committee

25 September 2023

Report title	Strategic Risk Register – High Unemployment Risk	
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Originating service	Audit	
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Report to be/has been considered by	Not applicable	

Recommendations for noting:

The Audit and Risk Committee is asked to note:

1. The latest update on the unemployment risk which was called in by the Audit and Risk Committee on 24 July 2023.

1.0 Purpose

- 1.1 To keep members of the Audit and Risk Committee aware of the key strategic risks faced by the Council and how it can gain assurance that these risks are being mitigated.

2.0 Background

- 2.1 The Council is no different to any organisation and will always face risks in achieving its objectives and priorities. Sound risk management can be seen as the clear identification and management of such risks to an acceptable level.
- 2.2 The Cabinet remain the owners of the strategic risk register, with the Audit and Risk Committee maintaining oversight of, and providing an independent level of assurance on the adequacy of the risk management processes that underpin it.
- 2.3 The strategic risk register was last presented to the Committee on 24 July 2023. Since that time the risk register has been reviewed in conjunction with risk owners and reviewed by SEB and an update will be provided at the November 2023 Committee meeting.
- 2.4 At its July 2023 meeting, the Committee requested further information regarding the high unemployment risk. The risk owner has provided the following further information on these risks and will also be attending the meeting to discuss the risks in more detail.

Risk 9 – High Unemployment

- 1.1 There is a risk that high levels of unemployment caused by historic trends and more recently the impact of Covid will persist and the gap between Wolverhampton and other areas will continue to grow without focused action.
- 1.2 This risk impacts on the following council priorities:
 - Thriving Economy in all parts of the city
 - More local people into good jobs and training

Context

- 1.3 Wolverhampton has consistently had one of the highest claimant count rates over several years, including pre-pandemic years, and unemployment levels continue to be high within the city. A summary of the August 2023 provisional data is provided below:
 - The Claimant Count rate for Wolverhampton (working age group) in August 2023 is 7.5%, down from the revised July 2023 figure of 7.6%. The number of claimants has decreased by 205 to 12,325, but this remains the 2nd highest unemployment claimant rate in England.
 - The provisional Claimant Count rate for Wolverhampton (18-24 age group) in August 2023 is 10.5%. This is a decrease of 0.2pp from the revised July 2023 figure. The Claimant Count is 2,250, a decrease of 35 claimants from the adjusted figure for July.

- The 50+ Claimant Count rate has decreased by 0.1pp to 5.8% and the number of claimants has reduced by 50 to 2,815 in August 2023.
- The city council is one of several organisations working in the city to help raise employment levels. The information below outlines what the city council is currently doing to support residents who are unemployed.

Current LA activity to mitigate risk:

- 1.4 Wolves at Work continues to offer its employment support service for job seekers of all ages, which is funded partly by the local authority, but mostly from external sources.
- 1.5 It offers a voluntary, all-age service, and in addition, Wolves at Work is one of four providers delivering DWP's welfare to work mandatory programme, Restart Scheme. Referrals to the Restart Scheme will run until summer 2024, but participants will be supported into and within work until February 2026.
- 1.6 The Black Country Impact (BCI) team, within Wolves at Work, will continue to deliver support to those aged 16-29 across Wolverhampton until the programme ends in 31 October 2023.
- 1.7 The Wolves at Work 18-24 team continues to engage with young people across the city, running regular drop-in sessions where young people are either supported directly into work if work-ready or helped with employability skills to move closer to the jobs market.
- 1.8 The local authority in partnership with DWP runs a Youth Employment Hub at The Way youth facility in the city centre. It is now in its second year, having exceeded its first year targets, supporting 860 young people, with 311 (36%) going into work since it opened. The team also works with the City of Wolverhampton College at the city's second Youth Employment Hub, on its Bilston campus.
- 1.9 Specialist employment support is provided by the local authority's Supported Employment Team, who work with residents with learning disabilities who are looking for work, inclusive apprenticeships, supported internships or work experience. The local authority has recently started a three year programme of Individual Placement and Support (IPS) for residents looking for work whilst on a substance misuse support programme.
- 1.10 Performance data across the various Wolves at Work employment support programmes is shown in the table below:

Current caseload: 959
• 44% female; 55% male; <1% other
• 43% 18-24; 46% 25-49; 1% 50+
Overall caseload (last academic year to present): 2971*
• 41% female; 59% male; <1% other
• 74% 18-24; 21% 25-49; <1% 50+

Into Work (last academic year to present): 590
• Overall conversion: 29%
• Wolves at Work Conversion: 41%
• Restart Conversion: 37%

- 1.11 Regular “Let’s Talk Jobs” sessions are held, focusing on either vacancies in a particular sector or for specific employer, to which all those organisations who advise job seekers are invited, to hear about the opportunities in detail.
- 1.12 Vacancies are being promoted to a wider audience via Wolves Workbox (employment and skills digital front door) and its regular newsletters, whereby job seekers are able to apply for jobs directly. Data for Workbox is shown below:

Unique Visits	26,725
Page Views	60,117
Jobs Advertised	1,240 (76 employers)
Events/training opportunities advertised	119 (87/32)
Mailing list subscribers	13,451 (+712)

- 1.13 Careers advisors are in all city secondary schools, special schools, alternative provision and college. Additional resource has been allocated to the Connexions team to provide 121 careers advice and guidance to young people with SEND, as well as new and targeted SEND Education, Employment and Training support workers. This intensive work results in the city being in the top quintile for the last three years for its participation in Education, Employment or Training for its 16 and 17 year olds.
- 1.14 The Careers Hub, part of the Careers and Enterprise Company’s Careers Hub Network, operates in all city schools, including special schools, and college. The city consistently performs better than the national average in the Gatsby benchmarks (the Careers activity benchmarks).
- 1.15 Given this strong performance for 16 and 17 year olds, the challenge is to identify the reasons why young people do not progress to a positive destination upon leaving sixth form or college or do not sustain their destination, and are unable to find employment or progress to further study aged 18 plus.
- 1.16 The council meets regularly with DWP, and intensive work is being undertaken to:
- understand the claimant groups and their needs for employment and skills support
 - understand the current provision and to identify gaps that are preventing residents from securing sustainable employment.

Future Activity

- 1.17 As stated previously, it is important to note that the city council is just one organisation within the city working to address the issue of high unemployment. This shared responsibility is articulated in the new Education, Skills and Employment Strategy (ESES), which has been prepared by the city council, in consultation with a broad range

of stakeholders. ESES was approved by Cabinet on 6 September, ahead of full Council approval later in the month.

1.18 The strategy has 5 key priorities, which impact or are impacted by unemployment:

- Children have the best start in life
- High quality education which prepares young people for work
- Post 16 education provision that meets the needs of employers
- Lifelong learning and employment pathways leading to good quality work
- A new model for employer support

Following full council approval work will begin with partners on developing action plans for the five priority areas.

- 1.19 As a result of ESES and a review of Wolves 18 to 24 programme, a new programme of transformation projects has been established within the city council. This programme will include employment support and careers information, advice and guidance, and will be supported by a Skills Service redesign to ensure that the appropriate resources are in place to implement the required changes.
- 1.20 Employment support will be a significant part of the People & Skills strand of the Shared Prosperity Fund programme, which will run from April 2024 to March 2025, subject to contract confirmation from WMCA. This support will be tailored to local need, and focus on those who are economically inactive with multiple barriers to employment, as well as job seekers.
- 1.21 The Commonwealth Games Legacy Fund programme will include employment support for all ages and careers activity, targeted at 14 to 19 year olds, and will run from Autumn 2023 to March 2025, subject to contract confirmation from WMCA. These programmes, like SPF, will be targeted to meet local need.
- 1.22 A new model to identify those young people at Risk of NEET (not in education, employment or training), will be run Autumn 2023. The current model is run in year 11, but the new model will be run in years 12 and 13, and will help identify those young people who are at risk of non-participation once they leave sixth form (school or college). It will help the local authority and its partners to target careers and transition activities on the most vulnerable young people, and help prevent the spike in unemployment for those aged 19 and 20.
- 1.23 Work undertaken by the Wolves at Work 18 to 24 team identified that young people often lack work experience. The pandemic ended any work experience for secondary school pupils, and schools are only now trying to reinstate a work experience programme for their students. In response to this need, the Skills team will start a new experience programme in 2024. This programme, called Open Door, will offer work experience for residents aged 19 and over for up to 12 weeks. Placements will be sought not just within council departments, but also amongst other local employers, in line with the career aspirations of the participant.

- 1.24 The devolution deal being negotiated between WMCA and government should result in local, place-based employment support programmes. This will be a significant change from the current situation of national programmes, that local organisations have to work with. Having local programmes will lead to better targeted interventions and better outcomes for local residents.

3.0 Progress, options, discussion

- 3.1 The strategic risk register will be updated as required and presented at approximately quarterly intervals to the Committee. The strategic risk register does not include all the risks that the Council faces. It represents the most significant risks that could potentially impact on the achievement of the corporate priorities. As stated above, other risks are captured within directorate, programme, project or partnership risk registers in line with the Council's corporate risk management framework.

4.0 Financial implications

- 4.1 There are no financial implications associated with the recommendations in this report as Councillors are only requested to note the risk register summaries. Financial implications may arise from the implementation of strategies employed to mitigate individual risks, but these will be evaluated and reported separately if required. [SZ/15092023/P]

5.0 Legal implications

- 5.1 Although there may be some legal implications arising from the implementation of the strategies employed to mitigate individual risks, there are no direct legal implications arising from this report. [AS/15092023/R]

6.0 Equalities implications

- 6.1 There will be equalities implications arising from the implementation of a number of the strategies employed to mitigate individual risks. These equalities implications will be addressed, where appropriate, through the various mechanisms taken to manage each risk.

7.0 All other implications

- 7.1 Although there may be implications arising from the implementation of the strategies employed to mitigate individual risks, there are no direct implications arising from this report.

8.0 Schedule of background papers

Strategic Risk Register Update – Audit & Risk Committee 24 July 2023