

## Recession Update and Future Jobs Fund

### Summary

This paper updates the Board on the LGA Group's work on the economic downturn.

### Recommendations

That the Board notes this update

### Action

Members and officers to take forward the actions summarised in this update.

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## **LGA Recession Proposals**

1. The LGA recession proposals discussed at the meeting of the Central-local partnership (CLP) on 24 February have been worked up in greater detail by LGA officers and CLG officials and were presented back to the members of the CLP before Easter. A formal response is expected from Communities Secretary Hazel Blears shortly and will be circulated if it arrives in time for the meeting. However, the announcement of the Future Jobs Fund in the Budget represents a direct response to proposals discussed at CLP.

## **Future Jobs Fund**

2. In the Budget the Chancellor announced a £1 billion fund to create 100,000 jobs for young people unemployed for 12 months and 50,000 jobs in deprived areas. The announcement gave councils a central role in coordinating bids and delivering the programme.
3. A launch event was held in Bevin Hall on 7 May, which was addressed by Hazel Blears, James Purnell and David Sparks, and attended by 140 people with another 90 participating online. Ministers underlined the important role the LGA had played in the creation of the fund and emphasised the need for partnership based bids led by councils working in particular with the third sector.
4. Delegates' central message was that the bid criteria and programme design should not be over-engineered. Councils will need to put money towards the funding of opportunities and were keen to be able to flex the offer locally. A key issue was the proposal that all referrals to the fund should come through JobCentre Plus (JCP). Subsequent discussions have confirmed that this does not exclude other routes, but by definition all people unemployed for more than 12 months will be on JCP's books. So local bidders will be able to find recruits through other means as long as they meet this criterion and bidders will be free to turn down JCP referrals that are not suitable.
5. The LGA will continue to be closely involved in discussions about the detailed implementation of the fund but the current direction of travel, which emphasises the key role of councils in coordinating bids to the fund and the importance of partnership working at a local level, is very much in line with the model proposed to the CLP.

## **NEETs Project**

6. A small project team drawn from across the LGA Group has been established to examine how councils can support young people who are unemployed or not in education or training (NEETs), a group is likely to be disproportionately affected by the recession. The aim is to pursue this as a distinct campaigning issue with the aim for a June launch. There are three proposed strands to this work:

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- policy analysis, looking in particular at funding and institutional aspects and examining how the role of councils can be strengthened;
- stakeholder engagement – working with partners such as Groundwork, Rathbone, Centre for Social Justice and the National Youth Agency.
- media and public affairs work – particularly focused on press activity, visits and speeches by the chairman and influencing parliamentarians and party policy.

## **Free Regional Recession Conferences**

7. The LGA Group is organising series of free regional conferences to allow councils to share their experience of tackling the recession. Three one-day regional conferences, entitled 'from recession to recovery – the council role', will be held jointly with regional LGAs. The events take place:
  - on 10 July in Exeter for councils in the South West;
  - on 13 July in Bradford for authorities in the North East, North West and Yorkshire and Humber.
  - on 25 September in Birmingham for East and West Midlands authorities.

The programmes are still being finalised but further details are available on the LGA website: [www.lga.gov.uk/events](http://www.lga.gov.uk/events)

## **IDeA Activity**

8. In April the IDeA launched a good practice guide to help councils recession-proof their website in order to communicate more effectively with residents and businesses. In March, 25 lead members attended a 2 day Leadership Academy module in Warwick to help them develop planning, housing and economic strategies in a recession. Keynote speakers included Stephen Houghton, Leader of Barnsley.

## **Financial Implications**

9. The work programme can be accommodated within LGA programme budgets and within IDeA funding.

## **Implications for Wales**

10. We will liaise with WLGA to identify potential common threads.

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