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Youth Unemployment – proposed work programme

Purpose of report

1. This report invites the Boards to discuss how the LG Group can help councils improve youth engagement in work and learning and outlines a draft work programme.

Summary

2. At the March meeting the Economy and Transport Board agreed that youth engagement is a key issue for local communities and that the LG Group should develop a work programme under the joint governance of the Economy and Transport Board and the Children and Young People's Board.
3. This paper outlines, for discussion, a work programme that will explore what is needed to enable personalised, local support to engage young people more effectively in learning and work, taking account of place and community. A key feature of the programme will be the involvement of young people and the voluntary and private sectors.
4. In our previous work on youth engagement – the Hidden Talents programme – we identified the over-centralisation and fragmentation in policy and delivery. We will re-assess that fragmentation, and explore the innovative solutions a more joined-up approach would allow.
5. Youth unemployment is attracting considerable media attention and Members may be particularly interested in the **attached** article that recently appeared in the Daily Telegraph.

Recommendation

The Board are invited to comment on the paper.

Action

Officers to take forward members' suggestions.

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Youth Unemployment – proposed work programme

Background

1. At their March meeting, the Economy and Transport Board discussed: the impact of rising unemployment on young people; the challenges young people face in finding and sustaining employment, particularly in rural areas; the debate about measuring youth unemployment; and the important role responsible employers can play.
2. The Board identified youth unemployment as an issue of critical importance to local communities now and in the future noting that the young people who experience long periods of unemployment find that it scars their future earnings and well-being. They also noted that whilst at the national level there may be partisan political exchanges about youth unemployment, councils face very immediate questions about how to reduce it and handle its impact of in their communities.
3. Officers were invited to outline a work programme building on the Hidden Talents programme¹ for both the Economy and Transport and the Children and Young People's Board to discuss.
4. The rest of the note focuses on the issues we will explore and how we will approach the task.

The issue

5. The Board correctly identified that there is an issue about how to measure youth unemployment and define the problem. There are different definitions and measures of youth engagement and unemployment. For example, national figures show that 963,000 of young people are unemployed, whereas if full time students are excluded the figure falls to 666,000. Participation in education has been volatile; the new NIACE participation survey, which the LG Group part funds, shows 17-24 year old participation in education soaring last year.

¹Concerns about the overall level of youth engagement in productive activity, principally work and learning, prompted the Hidden Talents work programme, which began in 2009 at Baroness Eaton's request.

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6. Youth engagement has been an intractable issue. Successive governments, working with local government and through other bodies, have found it difficult to reduce the overall proportion of young people not in education, employment and training which has been around one in ten for decades.
7. Around the national averages, there is significant local variation. In some places such as Birmingham nearly as many as one in three young people are unemployed, whereas in Hereford the figure is one in ten. Our analysis needs to look carefully at the importance of place and how it shapes opportunity, taking account of the variations between urban, rural, suburban and coastal places.
8. There is also a complex interplay between place, family, community and the characteristics of the young person. We know for example that graduate unemployment is nearly double the rate at the start of the recession.
9. We will also develop an evidence base of what works best – the Young Foundation is currently pulling together examples of successful, innovative approaches on our behalf.
10. Our analysis of local variation, and successful local projects, are the foundations of the case for more localised approaches.

The scope of our response

11. In Hidden Talents, we advocated, and secured a consensus, for these innovative local solutions that put young people, their families and the community at the heart of the solution and which are delivering results. But this report was written within the framework of the previous government's policies.
12. Our analysis therefore needs to look again at how the policy framework can enable what works best. We know that fragmentation is a problem and we need to revisit to what extent deficit reduction has impacted on "the crowd around the customer" that results from multiple funding streams, commissioning channels and delivery organisations.
13. At the same time, the policy landscape is changing quickly as a result of government policy. There are particular features of that changing landscape which offer opportunities (and risks) that we would like to explore closely including:
 - Engaging young people more effectively was a feature of some places work, for example Worcestershire, under Total Place. Joining up services

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for young people would seem particularly suited to the community budgets approach that seeks to put Total Place into action;

- A strong feature of our Hidden Talents analysis was a focus on early intervention and the advocacy for programmes like the Family Nurse Partnership, subsequently championed by Graham Allen MP in his work on early intervention. The next phase of that work is on developing new funding methods which could be applied to engaging young people more effectively in work and learning where the outcomes in terms of jobs and qualifications are clearly measurable and suited to payment by result funding mechanisms;
- Preparing local authorities for their statutory role to support the delivery of the age rise in compulsory participation in some form of education or training up to 17 years old by 2013 and 18 years old by 2015;
- The welfare reforms, including the introduction of the Work Programme and universal credit, to provide better support to get people into work and improve work incentives and new national volunteering initiatives including the National Citizens' Service;
- The government's market based reforms to the skills system make it vitally important that learners are able to make well-informed choices based on high quality information, advice and guidance and provider transparency about job outcomes;
- Local enterprise partnerships could play a strategic market making role to ensure that youth training fits the needs of local employers and local people, in particular to drive up the quality and quantity of work-based training, including apprenticeships and support for young entrepreneurs.

14. In developing these lines of enquiry, we will be able to draw on the Group's wider programme of work, for example, on community budgets and our work with the 157 Group of colleges on how colleges and local enterprise partnerships can work together effectively.

Working with partners

15. We developed the Hidden Talents programme with young people, councils, the Centre for Social Justice and a number of voluntary sector partners including the Prince's Trust, Groundwork UK and Rathbone.
16. In the next phase of work, we would like to deepen this partnership working. We are already in touch with Groundwork whose trusts typically work in deprived local economies. The voluntary sector was particularly helpful in helping us engage with young people during the development of the Hidden Talents programme.

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17. Given the key role of the private sector, we would place particular weight on their participation, both as employers and also as providers of public sector programmes, including the Work Programme.

The outputs

18. Against that background, and given that addressing youth unemployment will be a local priority in many areas, we see the main building blocks for a programme of work – on a task and finish basis – (as broadly described in the previous paper to the Economy and Transport Board) including:
- An LG Group “green paper” a fresh analysis now that the government’s policies are beginning to become clear, exploring what is now needed in a reformed public sector landscape to enable effective local approaches to youth unemployment, tackling the fragmentation in the system and putting particular emphasis on the difference that place makes;
 - An Autumn Local Government Youth Unemployment Summit to promote our analysis and lobbying asks bringing together our partners and involving young people;
 - Support and peer challenge to local enterprise partnerships inviting those that are leading the way working with 14-19 partnerships - in sorting out the traditional weaknesses in work based learning and increasing in the number of apprenticeships on offer - to publicise their approaches;
 - A campaigning lobbying strategy that puts councils at the forefront of the public debate calling for action, mobilising support from national government, the private and voluntary sectors.
19. The Board are invited to discuss the issues and comment on the work programme outlined in this note. Are members content with the scope, partnership approach and outputs?