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Hidden talents

Purpose of report

For discussion and direction.

Summary

This report updates members on the Hidden Talents activity, and seeks member steer on next steps.

Recommendation

Members are asked to comment on the report, and provide a steer on next steps.

Action

Officers to forward any actions as directed by Members.

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Hidden talents

1. Lead Members of the Economy and Transport Board and Children and Young People Board met last year to set out the direction of LGA activity on youth unemployment.
2. This report outlines LGA's work to date and introduces planned activity for the coming months. In particular, members are asked to comment on the proposals set out in paragraph 11.

Background

3. Over the last 18 months the policy and funding of services to support young people into work and learning has shifted in response to Government strategy. This has taken place against a background of rising youth unemployment. Although there is a debate about the statistics, over 1 million young people aged 16 to 24 years old are not participating in any form of work and learning, which includes those in full time education, with over a quarter of a million not engaged for over a year.
4. Whilst the headline unemployment numbers have been a focus for the media, the UK has had a poor track record in engaging all young people in work and learning that pre-dates the recession. For decades, there have been a group of young people who have become detached from work, learning and other productive activity – during periods of recession the risk is structural issue gets worse.
5. Government has announced a range of measures on the education, training and employment of young people – in particular, there has been an expansion in apprenticeships. Despite substantial reform, the programmes, services and institutions are still fragmented, with a host of centrally run initiatives administered in relative isolation to other services. Some councils and their local partners have been successfully gluing services together. But as a result there is debate as to whether councils have the tools they need to realise the aspirations of young people in their area.

LGA activity to date – the policy case

6. Against this background, the Hidden Talents report was launched to outline the policy case for joining-up services around the most disengaged young people. An earlier Youth Summit was held on 14 February with young people from across the country to hear their views.

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7. On 15 May Lead Members held a roundtable event to discuss the report and set out a programme of next steps with local authorities, senior partners, and government. The roundtable was attended by Rt Hon David Miliband MP, chair of the ACEVO Youth Unemployment Commission which came to similar conclusions to the LGA, and John Hayes MP, Minister for Further Education, Skills and Lifelong Learning.
8. The report concluded:
 - 8.1 Beneath the headline statistics are a group of increasingly disengaged young people, which has continued to increase through periods of boom and bust.
 - 8.2 This group are being impacted on particularly hard by recession, as opportunities are squeezed for all groups and all ages.
 - 8.3 They tend to have a more complex set of circumstances that can act as barriers to participating in work and learning.
 - 8.4 National schemes and funding schemes are not effectively reaching this group, instead being accessed by young people closer to the employment market.
 - 8.5 The education and skills system is not equipping young people with skills for local jobs, and the progression routes for young people not going to university are unclear and insufficient.
 - 8.6 Local authorities - who are responsible for welfare of all children, and particularly the most vulnerable – do not have sufficient levers to bring funding together around the most disengaged.
 - 8.7 Local authorities – who are responsible for helping create quality post-16 options as part of the raising of the compulsory participation age – are not enabled to bring together clear progression routes for young people in their area, and to link it with the needs of local economies.
9. This analysis has led to the development of a range of recommendations, including a call for:
 - 9.1 a community budgeting approach bringing together a range of funding around the most disengaged young people

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- 9.2 a role for local partners in commissioning school, further education, and apprenticeship provision to enable the use of more innovative ways to tackle the issues and deliver better results.
10. And an offer of:
- 10.1 local early identification of those at risk of becoming long-term disengaged
 - 10.2 the involvement of young people in the design and delivery of all schemes in their area, including national ones like Job Centre Plus
 - 10.3 the creation of clear progression routes for young people not going to university, with employers playing a central role
 - 10.4 the development of new ways of commissioning, which build on the government's public sector reforms
 - 10.5 integration with the early intervention approaches enabled by the Early Intervention Grant.
11. Since publication, this case has been put to partners with favourable responses, both on the identification of the problem of structural disengagement and on the ideas for tackling it.
12. There are of course a number of other issues impacting on groups of young people – for example graduate unemployment, access to services in rural areas, part-time and split hours employment practices, poor careers advice and so on. But the issue of structural disengagement is one where the personal costs – and economic and social costs - are greatest.

Next steps

13. Despite widespread agreement that the services for young people are fragmented and in some cases poor, we have not won the argument in Whitehall for reforms that enable a more locally targeted and joined up approach.
14. The LGA Executive has agreed that Hidden Talents will be one of the key campaigns. We need to build the case and build alliances with other organisations that share that view.
15. With that in mind, the following activity has the objectives of:

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- 15.1 Testing and developing the approach with councils - a programme to deepen the evidence base for this argument with local authorities including making the financial and outcome case for joining-up services around the most disengaged. This would include councils involved in, for instance: Whole Place pilots, City Deals, in piloting Raising of the Participation Age.
- 15.2 Strengthening the case to Government and Parliament in the lead up to the spending review - a series of political and official engagement with government, through letters and followed by meetings, including government engagement in the programme of local trials. Aiming for a final report to be published in October. A Parliamentary roundtable is planned for the summer, and LGA will offer oral evidence submission to the DWP Select Committee inquiry into apprenticeships.
- 15.3 Reinforcing proposals with new research - the Centre for Economic and Social Inclusion are undertaking some further work looking at the mismatch between skills provision and employment opportunities nationally and in a dozen selected local areas. We have also commissioned research into the levels and locations of graduate NEETs.

Conclusion and next steps

16. Members are asked to comment on the proposed next steps.

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