

Hidden talents

Purpose of report

For discussion and direction.

Summary

Over 1 million young people are out of work, but beneath the headline statistics the numbers of 16 – 24 year olds unemployed for a year or more had increased from around 100,000 in 2008 to 250,000 in 2012. This is a structural trend that pre-dates the recession, but has been accelerated by it.

Councils have a responsibility to look after the welfare of all young people in their area. As the champions of young people in their area, councils want all young people to participate in some form of work, learning or volunteering – but are frustrated by the lack of levers over services delivered in their areas to achieve this.

The LGA's Hidden Talents campaign aims to shed light on this group of the most disengaged young people, and to seek public service reform that ensures councils and their local partners have the levers to deliver better outcomes for them.

Recommendation

The Board is asked to comment on the paper.

Action

Officers to progress proposed next steps subject to members comments.

Contact officer: Nick Porter
Position: Adviser
Phone no: 020 7664 3113
E-mail: nick.porter@local.gov.uk

Hidden talents

Background

1. The youth unemployment figures are high. This is not a new phenomenon, even before the 2008 downturn, there were many people disengaged from work and learning.
2. In particular, the growth in structural youth unemployment is a real worry for local government. The numbers of 16 – 24 year olds unemployed for a year or more had increased from around 100,000 in 2008 to 250,000 in 2012.
3. Councils have a responsibility to look after the welfare of all young people in their area. As the champions of young people in their area, councils want all young people to participate in some form of work, learning or volunteering – but are frustrated by the lack of levers over services delivered in their areas to achieve this.
4. Reducing youth unemployment is a priority for government, which has launched the Youth Contract, created more apprenticeship opportunities, and consolidated welfare to work services in the Work Programme. It is also raising the compulsory participation age to 18 by 2015. But long-term youth unemployment continues to rise.
5. “Hidden Talents” aims to shed light on this group of most disengaged, and to seek public service reform that ensures councils and their local partners have the levers to deliver better outcomes for them.
6. The activity is jointly led by the Economy and Transport Board, and the Children and Young People Board.

Analysis of the problem

7. Activity to date has focused on assessing the challenges facing young people, and the capacity of current public services in meeting them with a view to making general recommendations for reform.
8. This was the primary focus of the first LGA report, *Hidden Talents: supporting the most disengaged young people into employment, education and training*, which included:
 - 8.1 Research emphasising the highly personal characteristics among the most disengaged young people - or ‘core NEETs’ - which are most affected by the economic downturn, and in most need of personalised services.
 - 8.2 Demonstration of the fragmented and centralised public services, where 33 schemes and services from 8 national organisations spanning 13 different age groupings – with no levers for councils to bring together services around the most disengaged, despite their responsibilities for young people such as supporting the raising of the compulsory participation age (**attached at Appendix 1**)

Item 5

- 8.3 A recommendation for a community budgeting approach to bring services around the most disengaged – where councils would offer early identification of young people at risk and bring together the commissioning of high performing organisations to deliver results.
9. The report was widely covered by the press, including the BBC and the Metro.
10. Following the report, the LGA has published subsequent work emphasising the need for education and training provision to reflect the needs of local labour markets, and the need for the system to enable local authorities, employers and other partners incentivise this locally, including:
- 10.1 Hard evidence of the mismatch between skills gained by young people and the jobs available in local economies. For instance at the national level more than 94,000 people complete hair and beauty course for 18,000 jobs, in Basildon 530 trained for 30 jobs; while there is undersupply in other sectors, nationally 40,000 people were trained to fill 72,000 new jobs (**Appendix 2**).
- 10.2 Analysis of the geographical variations in graduate unemployment rates across the country. In some places one in three graduates are in work, in others two in three graduates are in work. Despite rising unemployment graduate unemployment nationally, it has fallen in some areas – including Bolton and Wakefield.
11. This research has been covered by the Observer and the Daily Mail.
12. This work has been tested and developed with over 40 young people at an LGA Youth Summit, and with councils and partners at a cross-party roundtable led by Rt Hon David Miliband MP and DWP Minister, John Hayes MP.
13. The Hidden Talents evidence has also informed a number of other initiatives, such as the ACEVO Youth Unemployment Commission, the Work and Pensions Inquiry into Youth Unemployment, and the Richard Review into Apprenticeships.
14. Reports and press releases can be found on the [Hidden Talents pages](#) of the LGA website.

What next, evidenced propositions and campaigning

15. Hidden Talents has moved the LGA and local government to the centre of a debate on tackling youth disengagement from work and learning.
16. A second joint Lead Members Meeting for the Economy and Transport Board and Children and Young People Board is being planned for October, with the purpose of reviewing work to date and agreeing next steps for the campaign.
17. The campaign is now working with a number of local authorities to develop and test specific propositions for tackling youth disengagement, and to ensure there is sufficient evidence of success to reinforce our proposal for a local approach. This will be the

Item 5

final stage of the work with a clear localist offer to Government to help address youth unemployment. It will be delivered in late 2012.

18. The final report will include work with Whole Place Community Budget Pilots, by City Deals with devolved elements of the Youth Contract for 16 and 17 year olds, by councils involved in Raising of Participation Age trials, and others.
19. An event took place on the 21 September to bring together a number of local authority officers and partners to explore better local delivery.
20. Economy and Transport member views are sought on the areas for potential propositions, which for instance might include:
 - 20.1 Greater local commissioning of services for the most disengaged young people, such as the Youth Contract for 16/17 year olds, to bring together with other support for that group.
 - 20.2 Intelligence led vocational skills provision for 16 – 19 year olds and post-19, with incentives for local partners to link provision with needs and opportunities in local labour markets.
 - 20.3 Local targeting of wage incentive payments and apprenticeship grants to SMEs, using subsidies to help drive growth, and reduce deadweight.
 - 20.4 A new relationship between local partners, Job Centre Plus and Work Programme prime providers.