

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

CABINET AND CORPORATE SERVICES SCRUTINY COMMITTEE 24 OCTOBER 2016

REPORT BY THE DIRECTOR OF STRATEGY AND LOCAL SERVICES

YOUTH UNEMPLOYMENT IN THE ROYAL BOROUGH

An overview of youth unemployment in the Royal Borough, including current issues and activities.

For discussion and comment

1. BACKGROUND

- 1.1 In response to the Chairman's request this report has been drafted to present an update on the picture of youth unemployment in the Borough. The paper reviews the position regarding the 16-18 age group Not in Employment Education or Training (NEET) and the 18-24 age group young unemployed.

2. 16-18 YEAR OLDS NOT IN EMPLOYMENT EDUCATION OR TRAINING

- 2.1 Figures published by the Department for Education show a reducing trend for NEET 16-18 year olds in RBKC.
- 2.2 The NEET percentage (3.1%) is comparable with the London average for the first time in the last 4 years. The current figure reflects a 0.5 percentage point reduction on the previous year and a sustained reduction of 2 percentage points over the last 3 years.
- 2.3 Where a young person is not in contact with tracking services and their destination is not known they are recorded as such.
- 2.4 The 'not known' percentage (13.6%) has reduced but this remains above the London average (10.4%). The current figure reflects a 2.8 percentage point reduction on the previous year and a sustained reduction of 5.6 percentage points over the last 3 years.
- 2.5 Young adults aged 18/19 years continue to present the greatest challenge. Young people in this age group are least likely to progress into education or employment. At age 16 only 1.1% are NEET, rising to 3.8% at age 17 and increasing to 4.9% at age 18. We are also less likely to know what young adults are doing. In RBKC the current activity of 27% of 18/19 year olds is 'not known'.

3. KEY ACTIVITIES TO REDUCE NEET AND NOT KNOWN

- 3.1 The performance measures indicate progress towards NEET reduction. The contract to reengage young people and reduce NEET is held by and EPIC CIC and delivered by EPIC Ambitions.
- 3.2 Following increased levels of intervention and development work, including quarterly contract monitoring meetings EPIC Ambitions are continuing to deliver reductions in NEET and are on track to achieve the NEET target for 2016. Reflecting risk, the Commissioning Team will increase monitoring towards the end of the year when NEET figures have historically spiked.
- 3.3 A number of activities have contributed to current performance:
- Young people working with EPIC Ambitions have benefited from the broader infrastructure and services available through EPIC CIC, including access to pre-vocational taster courses
 - A joint NEET Panel to coordinate efforts to reduce NEETs was re-launched in March 2016.
 - Effective use of national initiatives including National Careers Week and International Women's Day to coordinate and deliver preventative NEET activities
- 3.4 The pan London European Social Fund (ESF) Youth Programme will deliver pre-NEET, NEET outreach and universal and targeted NEET reengagement programmes in the period to March 2018.
- 3.5 The Government's "Raising the Participation Age" initiative has introduced a duty on young people to participate in education or training until their 18th birthday and on local authorities to support young people who are identified not to be participating. The reported NEET data relate to a broader cohort and include young people aged 18 at the start of the academic year (an additional year group).
- 3.6 Local Authority figures on participation by young people were last published for December 2015. These show overall participation by young people aged 16-17 in the Royal Borough (91.1%) was comparable with the national average (91.1%) and marginally below the London average (92.2%). The current figure represents a marginal reduction (-0.8 pp) over the last year. Over the same period half London borough (14) reported reductions in participation, ranging from -0.1 up to -8.9.
- 3.7 Participation among 16 year olds continues to be higher (96.1%) compared to 17 year olds (85.8%). Local participation by 16 year olds is above both the national (94.9%) and London (95.3%) rates. Local participation by 17 year olds (85.8%) is below both national (87.5%) and London rates (89.3%).

3.8 Local data also reveals lower levels of participation among white British (87.1%) compared with national (90.8%) and London (90.5%) averages; higher levels of young people whose destination is not known (6%) compared with national (4.3%) and London (5%) averages; and potentially higher drop-out rates during Year 12 and non-return at the start of Year 13.

4. UNEMPLOYED AGE GROUP 18-24

4.1 The number of residents aged 18-24 claiming Jobseekers Allowance (JSA) has been steadily reducing over the last 12 months. In July 2015 there were 245 total claimants. For July 2016 the figure for the borough has reduced to 80, a reduction of 67%. During the same period the London figure has reduced by 49%.

4.2 This is in the context of the local JSA claimant total overall reducing by 24% over the same period.

4.3 The current JSA claimant figure represents 0.7% of the 18-24 age group which is below the average for London (1.2%).

4.4 As at July 2016 there were 25 JSA claimants aged 18-24 with a claim duration of over six months.

4.5 The number of residents aged 18-24 in February 2016 claiming Employment and Support Allowance (ESA) is 220. The equivalent figure in February 2015 was 230. Of the current total there are 120 claimants within the ESA Support Group (where their health condition is assessed to be such that it is not anticipated they would be able to enter employment within 6 months). There are 90 ESA claimants in the Assessment stage or the Work Related Activity Group and expected to be preparing for work (10 are of unknown status). The relatively static level of young residents claiming ESA is not a local phenomenon and reflects the complexity and often multiple issues that are present within this group of claimants.

5. SUPPORT FOR YOUNG UNEMPLOYED

5.1 Whilst the contract between the Council and EPIC includes NEET reduction and reengagement, there are also a range of other employment programmes and projects that provide support to the 18-24 age group. The range of activity includes central government programmes, pan-London initiatives and projects supported by the Council. These are summarised below and listed in more detail at **Annex A**.

5.2 Central Government

The DWP provides support in the form of the Work Programme and Youth Offer which runs to March 2017. The Youth Offer includes work experience placements of up to 8 weeks, and sector-based work academies which prepare young jobseekers for specific sectoral opportunities such as hospitality and retail.

5.3 **Pan-London ESF Youth Programme**

As part of London's European Funding programme the Skills Funding Agency is commissioning the London Youth programme. The programme's key objective is to support young people who are NEET, or at risk of being NEET, to find employment, education or training. The programme consists of separate strands of NEET prevention and targeted engagement that are delivered by a mix of pan-London and sub-regional providers. The most significant strands for RBKC are likely to be:

- **Careers Guidance:** this element of the programme will take referrals from the Tri-borough Youth Offending Service in addition to school and college early leavers.
- **16-24 NEET Outreach Programme.** This element of the programme will be delivered by EPIC Ambitions to improve engagement with young people whose status is 'not known' or NEET
- **Preventative NEET 15-18 year olds.** This element will take referrals from schools and colleges where young people are identified as at risk of becoming NEET.

5.4 **Council supported projects**

The Council supports and funds (or part funds) projects varying in duration between 1-3 years:

- ***Apprenticeship programme (EPIC)***

This programme prepares young people for, and places them into apprenticeships. Over the last three years 77 placements have been made with a variety of employers (such as Imperial College dental surgery, Goldfinger Factory, Ardmore Construction and Oxfam).

- ***Makers' Enterprise Launchpad (MELP)***

MELP helps business-minded young 18 to 25 year olds to learn about the world of business and self-employment and supports young entrepreneurs to start their business.

- ***Families (Family and Community Employment Service)***

The Council contributes funding to support two dedicated employment coaches to support unemployed people (including young people) in RBKC families that are referred for employment support by Early Help and Family Recovery teams.

6. VOLUNTARY SECTOR PROVISION

- 6.1 Several of the Borough's voluntary sector organisations also target and provide support for young people. For example, the St Clement James Centre provides IntoWork and IntoUniversity Programmes to assist young residents to progress. The Rugby Portobello Trust provides access to employment support and Campden Charities run a Sustainable Employment programme for those who are currently (but precariously) employed. It assists with training, travel to work and childcare costs for those who may otherwise end up worse off through working rather than remaining on benefits.

7. FUTURE OPPORTUNITIES AND ISSUES

- 7.1 One of the issues in relation to employment and skills funding is the variety and complexity of commissioned activity. This applies across support for all age groups. This complexity cannot be addressed effectively at a local level as there are regional and national activities which have an impact.
- 7.2 Officers within the Council's Economic Development Team bring together leads for providers targeting young people, particularly to ensure that advice and referral networks are aware of the variety of support that is available. Officers are also in contact with providers delivering the London Youth programme to ensure that its support is accessible to local residents.
- 7.3 The Government has a goal to increase the quality and quantity of apprenticeships and to reach 3 million apprentice starts by 2020. As part of this a national apprenticeship levy scheme will commence in April 2017. This will collect a levy of 0.5% on employers with annual payrolls in excess of £3 million. This levy will be hypothecated to support the training costs of apprentices. The expectation is that the levy will encourage large employers to develop or enhance their use of apprenticeships. Employers will choose and pay for the apprenticeship training they want through a Digital Apprenticeship Service. This presents an opportunity for the Council to develop stronger links with employers to ensure that local young people benefit from any expansion in their apprenticeship programmes (including the Council's own apprenticeship programme).

CONCLUSION

- 8.1 Members of the Committee are invited to comment upon the report and the issues raised within it.

FOR DISCUSSION

TONY REDPATH
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Public background papers used in preparation of this report:

None.

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ANNEX A

| Activity | Funding Body | Provider | Support period |
|--|---|-------------------------|-------------------------|
| <p>DWP Work programme</p> | DWP | Reed, Maximus, Ingeus | To Autumn 2017 |
| <p>DWP Youth Offer Sector based work academies offer pre-employment training, work experience placements and a guaranteed job interview for recipients of Jobseeker's Allowance, Universal Credit (all work-related requirements group) or Employment and Support Allowance (Work-Related Activity Group), aged 18 years or over, or eligible lone parents aged 18-24 in receipt of Income Support, whose youngest child is under the age of four.</p> <p>Work experience opportunities are placements of up to 8 weeks with a host employer, with the aim to provide participants with the skills employers are looking for. Work experience placements are available for those who have been on Jobseeker's Allowance for at least 3 months</p> | DWP and Skills Funding Agency | | To March 2017 currently |
| <p>ESF Youth programme – Outreach strand will locate young people who are aged 16-18 and are NEET, or aged 18-24 and are 'under-employed' but not using Jobcentre Plus services and seeks their planned progression into sustained EET.</p> | European Social Fund and Skills Funding Agency £9.9million | Prospects Services | 2016 - 2018 |
| <p>ESF Youth programme – Support for 18-24 yr. olds NEET targeted for mental health difficulties, drug / alcohol abuse or homeless</p> | European Social Fund and Skills Funding | Reed in Partnership Ltd | 2016 - 2018 |

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| | Agency £2.1million | | |
| ESF Youth programme – Will provide individually-tailored support for young people aged 16-24 who are NEET and have LDD to help them achieve sustained education, training or employment . | European Social Fund and Skills Funding Agency £3.6million | South Thames College | 2016 - 2018 |
| ESF Youth programme – Preventative NEET strand will work with young people in learning who have been indicated as being “at risk” of becoming NEET | European Social Fund and Skills Funding Agency £6.1million | Prevista | 2016 - 2018 |
| ESF Youth programme – 18-24 NEET targeted for specific groups - migrants, care leavers, travellers, teenage parents and Work Programme leavers. | European Social Fund and Skills Funding Agency £3.8million | City and Islington College | 2016 - 2018 |
| ESF Youth programme – Young Black and Minority Ethnic strand will provide targeted support to young people from particular ethnic minority groups. | European Social Fund and Skills Funding Agency £2.3million | Reed in Partnership Ltd. (pan London) | 2016 - 2018 |
| ESF Youth programme – Youth Talent strand aims to promote a ‘gateway’ for businesses to work with a range of providers and offer traineeships, work placements, internships, employment and apprenticeship opportunities for young people. Many of the other strands will make referrals to this programme. | European Social Fund and Skills Funding Agency £7.8million | SEETEC Business Technology | 2016 - 2018 |

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| <p>ESF Youth programme – 16-18 Targeted NEET - The project will achieve this aim by providing support to young people aged 16-18 who are NEET, and whose background suggests they require additional or re-engagement support, into sustained education, training or employment which are RPA (Raising the Participation Age) compliant.</p> | <p>European Social Fund and Skills Funding Agency £2.1million</p> | <p>Prevista</p> | <p>2016 - 2018</p> |
| <p>ESF Youth programme – The aim of the Programme is to provide high quality IAG that enable young people to develop the knowledge, skills and attitude they need to manage their career and support their transitions into learning and work.</p> | <p>European Social Fund and Skills Funding Agency £3.4million</p> | <p>SEETEC Business Technology</p> | <p>2016 - 2018</p> |
| <p>Apprenticeship Programme Preparing and placing young people in apprenticeship opportunities at Level 2 and Level 3</p> | <p>RBKC (Strategic Regen Reserve</p> | <p>EPIC (CIC)</p> | <p>Completed September 2016</p> |
| <p>Makers Enterprise Launchpad MELP MELP supports business minded young people aged 18 to 25 years, to learn about the world of business, explore what self-employment means and support young entrepreneurs to start their business.</p> | <p>John Lyons Charitable Trust</p> | <p>EPIC (CIC)</p> | <p>Current funding through 2016-2017</p> |
| <p>Families and Community Employment Services Two dedicated employment coaches for RBKC families that are referred for employment support from Early Help and Family recovery staff</p> | <p>RBKC and WCC</p> | <p>FACES Team</p> | <p>Current funding to March 2017</p> |