

EXETER CITY COUNCIL
SCRUTINY COMMITTEE – ECONOMY
30 MAY 2013

YOUTH UNEMPLOYMENT

1.0 PURPOSE OF REPORT

- 1.1 To present background information in preparation for a presentation from Jobcentre Plus about support to help young people (aged 18-24) move into work.
- 1.2 To review current data on levels of youth unemployment and the nature of support for young job seekers.

2.0 BACKGROUND

- 2.1 At the previous Scrutiny Committee – Economy, Members received a progress report and presentation setting out the Employment and Skills Board's priorities to address skill issues affecting businesses and the local labour market, ranging from employability skills in young people to skills gaps in the current workforce.
- 2.2 The report noted that the level of unemployment amongst 16 – 24 year olds remains high since the economic downturn. Although unemployment in Exeter is relatively low, young people make up a disproportionately high percentage of benefit claimants. To explore this trend further, Members requested a presentation from Jobcentre Plus, to explain some of the issues relating to youth unemployment and the ways in which they are being supported
- 2.3 It should be noted that Jobcentre Plus are a member of the Employment and Skills Board partnership and have been instrumental in helping to establish the new skills hub for the Growth Point development programme, contributing two officers to work at the hub for a 2 year secondment. This initiative aims to work directly with new and relocating businesses to create more employment and skill development opportunities for local residents, including unemployed people and young people entering the labour market. To utilise the City Council's role as a Planning Authority, a new policy line and delivery mechanism is being trialed to encourage developers to recruit and develop local labour.
- 2.4 The City Council has also launched an internal Apprenticeship Strategy, so far recruiting 6 apprentices with plans to expand to 10 apprentices per year on a rolling programme.

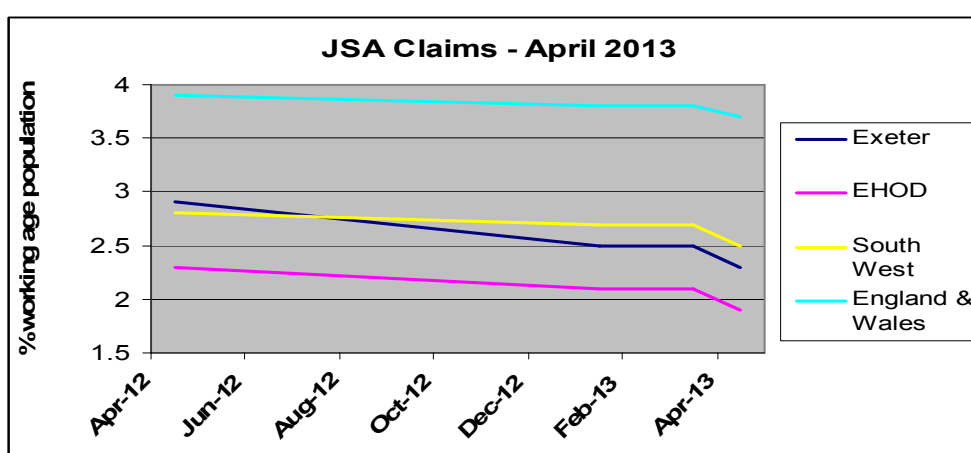
3.0 YOUTH UNEMPLOYMENT TRENDS

- 3.1 Unemployment levels in Exeter have constantly remained below South West and national levels.

Table 1 - Year Comparison – All JSA Claimants (Aged 16-64)

Area	April 2012		April 2013	
	No.	%*	No.	%
Exeter	2,350	2.9	1,855	2.3
East Devon	1,260	1.7	1,165	1.6
Mid Devon	1,030	2.2	885	1.9
Teignbridge	1,610	2.2	1,475	2.0
EHOD	6,245	2.3	5,380	1.9
South West	91,635	2.8	83,930	2.5
England & Wales	1,407,615	3.9	1,334,195	3.7

(* % of resident population aged 16 to 64)



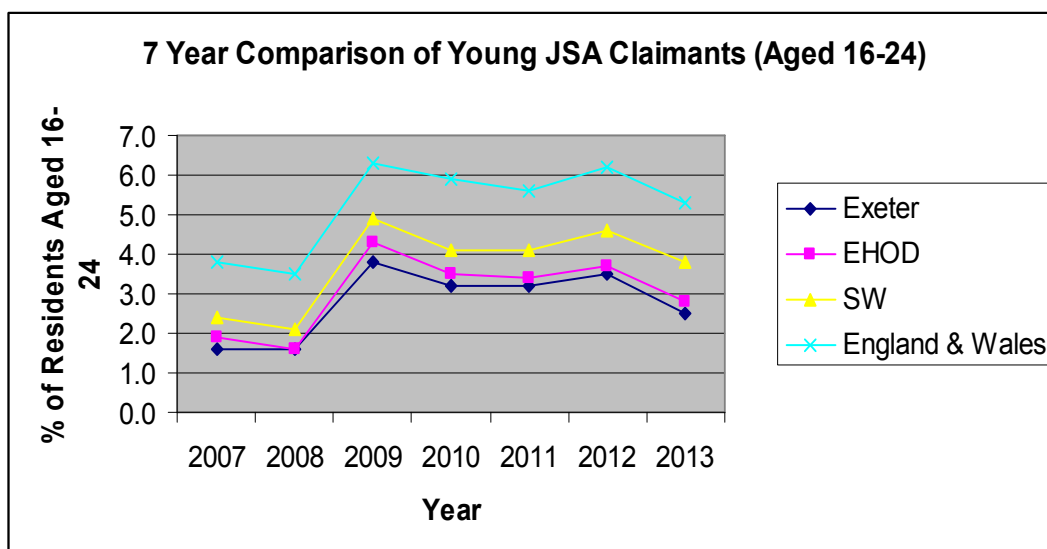
- The level of unemployed residents claiming Jobseekers Allowance (JSA) as a proportion of the resident population (aged 16-64) sits at **2.3% as of April 2013** and has decreased by 0.6% (495 people) since this time last year.
- Total claims in Exeter also remain relatively low compared to 4.2% in Torbay, 3.5% in Plymouth and 3.7% across England and Wales.

3.2 Although unemployment levels in Exeter are relatively low, young people make up a disproportionately high percentage of benefit claimants (23% of all claims).

Table 2 – Seven Year Comparison – Young JSA Claimants (Aged 16-24)

Date	Exeter		EHOD		South West		England & Wales	
	No.	%*	No.	%	No.	%	No.	%
April 2007	375	1.6	985	1.9	14,470	2.4	250,855	3.8
April 2008	350	1.6	850	1.6	12,695	2.1	230,100	3.5
April 2009	850	3.8	2,260	4.3	29,700	4.9	414,740	6.3
April 2010	710	3.2	1,815	3.5	25,380	4.1	393,795	5.9
April 2011	690	3.2	1,785	3.4	24,660	4.1	375,255	5.6
April 2012	765	3.5	1,940	3.7	27,750	4.6	411,860	6.2
April 2013	540	2.5	1,460	2.8	22,970	3.8	352,060	5.3

(* % of resident population aged 16 to 24)



Since the economic downturn in 2007:

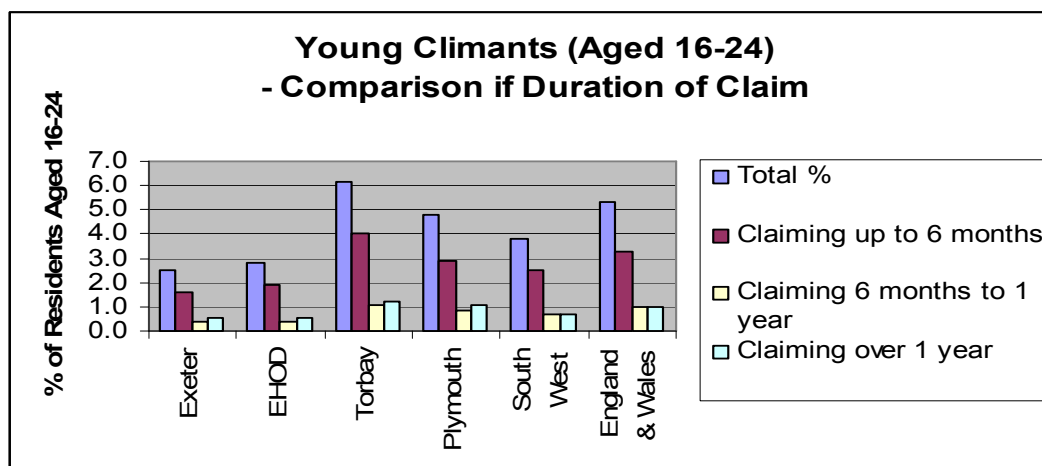
- the number of 16 – 24 year olds in Exeter claiming JSA reached a peak in 2009 (850)
- April numbers are currently at their lowest level for 5 years (540) having reduced by 225 over the previous year, but still above the pre-recession level
- the proportion of young claimants (aged 16-24) in Exeter has remained below neighbouring districts of East Devon, Mid Devon and Teignbridge, whereas the proportion of all claims (aged 16-64) in Exeter is higher than in these districts

3.3 Comparing the duration that young people claim JSA shows similar trends across the South West. The majority of 16-24 year old JSA Claimants claim for less than 6 months (1.6% in Exeter), with the fewest claiming for 6 – 12 months (0.4% in Exeter) and slight increase for those claiming for over 1 year (0.5% in Exeter)

Table 3 – March 2013 – Young JSA Claimants (Aged 16-24) and Duration of Claim

Area	Total		Claiming up to 6 months		Claiming 6 months to 1 year		Claiming over 1 year	
	No.	%	No.	%	No.	%	No.	%
Exeter	540	2.5	355	1.6	85	0.4	105	0.5
East Devon	280	2.4	200	1.7	40	0.4	40	0.3
Mid Devon	270	3.7	170	2.3	40	0.5	60	0.8
Teignbridge	370	3.3	275	2.4	45	0.4	45	0.4
EHOD	1,460	2.8	1,000	1.9	210	0.4	250	0.5
Torbay	795	6.2	505	4.0	135	1.1	150	1.2
Plymouth	1,850	4.8	1,120	2.9	310	0.8	420	1.1
South West	22,970	3.8	15,160	2.5	3,915	0.7	3,890	0.7
England & Wales	352,060	5.3	218,700	3.3	68,100	1.0	65,260	1.0

(* % of resident population aged 16 to 24)



However, in terms of long term unemployment in Exeter, 21.5% of all JSA claims made for over 1 year are made by residents aged 16-24:

Table 4 – Year Comparison – JSA Claims over 1 Year by Age Group

Age	April 2012		April 2013	
	No.	%*	No.	%
Aged 16-64	465	0.6	450	0.6
Aged 16-24	100	0.5	105	0.5

(* % of resident population within specified age bracket)

3.4 Finally, an analysis of ward level data in Exeter shows pockets of youth unemployment in a number of locations. The 4 Wards (Priory, St David's, Exwick and Whipton & Barton) account for almost half (44.5%) of all 16-24 JSA claimants in Exeter.

Table 5 – March 2013 - Young JSA Claimants (Aged 16-24) by Ward

Ward	Aged 16 to 24
	No.
Priory	75
St David's	70
Exwick	55
Whipton & Barton	40
Mincinglake	35
Cowick	30
Newtown	30
St James	30
Alphington	25
Polsloe	25
St Thomas	25
Pinhoe	20
St Loyes	20
Pennsylvania	15
Heavitree	10
St Leonard's	10
Topsham	10
Duryard	5
Exeter Total	540

4.0 NATURE OF SUPPORT

- 4.1 Young people between the ages of 16 – 17 receive targeted support from Careers South West to reengage them into education or training and prevent them from becoming “NEET” (Not in Education Employment or Training). Young people under 18 years old are only eligible to access support from Jobcentre Plus in exceptional circumstances, such as when they have been alienated from their parent or guardian.
- 4.2 Jobcentre Plus support people aged 18-64 by encouraging and supporting job seekers to find employment via a range of provision, including work clubs, enterprise clubs, volunteering, work experience and sector-based work academies (pre-employment training with work experience and a guaranteed job interview).
- 4.3 Recognising the particular challenges facing young job seekers, the Government launched the £1billion Youth Contract in April 2012 to help young unemployed people get a job. The Youth Contract aims to provide nearly half-a-million new opportunities for 18-24 year olds through a range of initiatives, including:
- wage incentives for employers (£2,275 grant for recruiting an unemployed 18-24 year old)
 - work experience
 - Apprenticeship Wage Incentives (£1,500 grant for recruiting a new 16-24 year old)
 - Apprenticeships
 - Additional support for disengaged 16-17 year olds – “NEETs” (Programmes which move young people into full-time education, an Apprenticeship or a job with training)
- 4.4 All young people are referred to the Work programme at 9 months of unemployment. Those considered to be at risk of long term unemployment can also choose to join the Work Programme early. Two national providers, Prospects and Working Links are contracted by Jobcentre Plus/Department for Work and Pensions, to run the Work Programme in Exeter. Individuals stay on this supported scheme for up to two years aiming to resolve barriers preventing them finding work or until they find sustained employment.
- 4.5 The Work Programme is intended to provide tailored support to individuals to overcome issues affecting their ability to find employment, ranging from confidence building and training for basic skills, to support writing CVs and applying for work. The Work Programme also helps young people to make the transition into apprenticeships, pursue self-employment and deal with health conditions, in conjunction with specialist services.

5.0 QUESTIONS TO ASK

- 5.1 Members might want to ask:
- (a) How successful has the Youth Contract been at incentivising local employers to recruit young job seekers?
 - (b) What do you perceive to be the most common difficulties and issues facing unemployed young people?

6.0 FINANCIAL IMPLICATIONS

- 6.1 There are no immediate financial implications arising from this report.

7.0 RECOMMENDATION that:

- 7.1 Members note the report and receive a presentation from Jobcentre Plus about support available to help young people (aged 18-24) move into work.

GILLIAN BISHOP
PARTNERSHIPS AND PROJECTS MANAGER, EMPLOYMENT & SKILLS BOARD

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

- *'Progress Report: Employment and Skills Board'*, 7 March 2011 Scrutiny Committee – Economy, Exeter City Council
- *'Unemployment in Exeter'*, 31 May 2012 Scrutiny Committee – Economy, Exeter City Council

Data Information:

- Rates for local authorities, regions and countries from 2011 onwards are calculated using the mid-2011 resident population for the appropriate age group