

EXETER CITY COUNCIL
SCRUTINY COMMITTEE – ECONOMY

16 JANUARY 2014

UPDATE ON YOUTH UNEMPLOYMENT IN EXETER

1.0 PURPOSE OF THE REPORT

- 1.1 At a previous meeting Members requested an update on youth unemployment (aged between 16 – 24 year olds) within Exeter.
- 1.2 This report reviews current data on levels of youth unemployment within the city, comparing Exeter with neighbouring local authority districts and with regional and national trends. It also provides an update on the support available for young job seekers through Job Centre Plus.

2.0 BACKGROUND

- 2.1 At Scrutiny Committee – Economy 30 May 2013, Members received a progress report and presentation from Job Centre Plus setting out youth unemployment within Exeter and support available to get young people back into employment. Members requested an update after 6 months.

3.0 UNEMPLOYMENT TRENDS IN EXETER

- 3.1 Unemployment levels of all ages (16 – 64) in Exeter have constantly remained below South West and national levels.
- 3.2 As of October 2013, the number of unemployed residents aged 16 – 64 claiming Jobseekers Allowance (JSA) as a proportion of the resident population is 1.8% and has decreased by 0.6% (555 people) compared to the same period last year, see table 1 below.

The total number of claimants in Exeter remains relatively low compared to 3.3% in Torbay, 2.8% in Plymouth and 3.0% across England and Wales. The area described as Exeter and the Heart of Devon (EHOD) namely Exeter and the surrounding district councils approximates to Exeter’s travel to work area.

Table 1 - Year Comparison – All JSA claimants aged 16 – 64

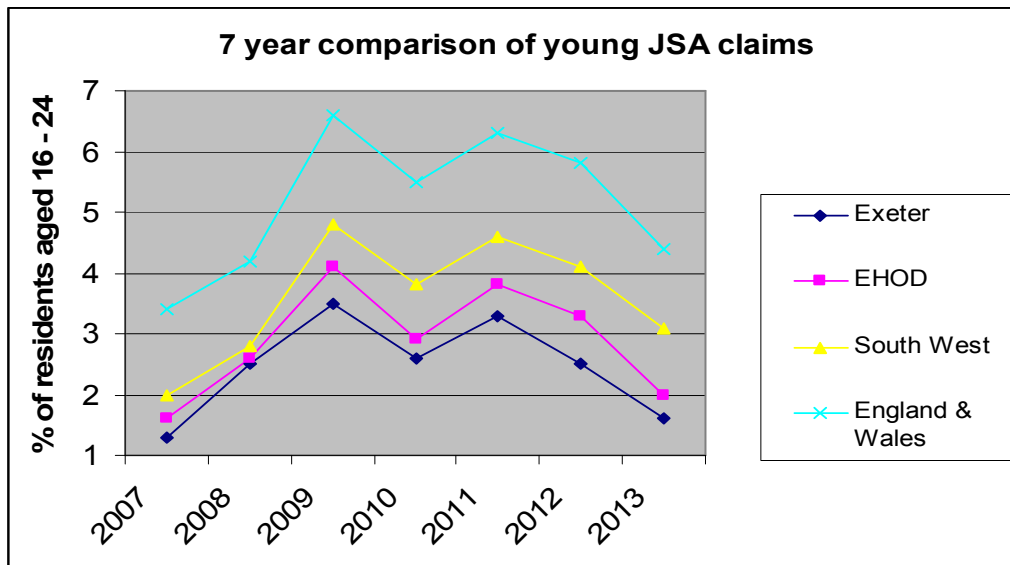
Area	October 2012		October 2013	
	No.	% *	No.	% *
Exeter	1,990	2.4	1,435	1.8
East Devon	1,160	1.5	800	1.1
Mid Devon	945	2.0	665	1.4
Teignbridge	1,530	2.1	1,100	1.5
EHOD	5,625	2.0	3,995	1.5
Plymouth	6,260	3.7	4,825	2.8
Torbay	3,385	4.4	2,560	3.3
South West	84,750	2.6	66,615	2.0
England & Wales	1,346,760	3.7	1,095,460	3.0

(* % of resident population aged 16 – 64)

- 3.3 Although unemployment levels in Exeter are relatively low, young people aged 16 – 24 make up a disproportionately high percentage of benefit claimants, 23% of all claims.
- 3.4 Table 2 below shows the number and resident % of JSA claimants aged 16 – 24 years old, compared to the sub-region, the South West and England and Wales over a seven year period.

Table 2 – Seven Year Comparison of young JSA claimants aged 16 – 24

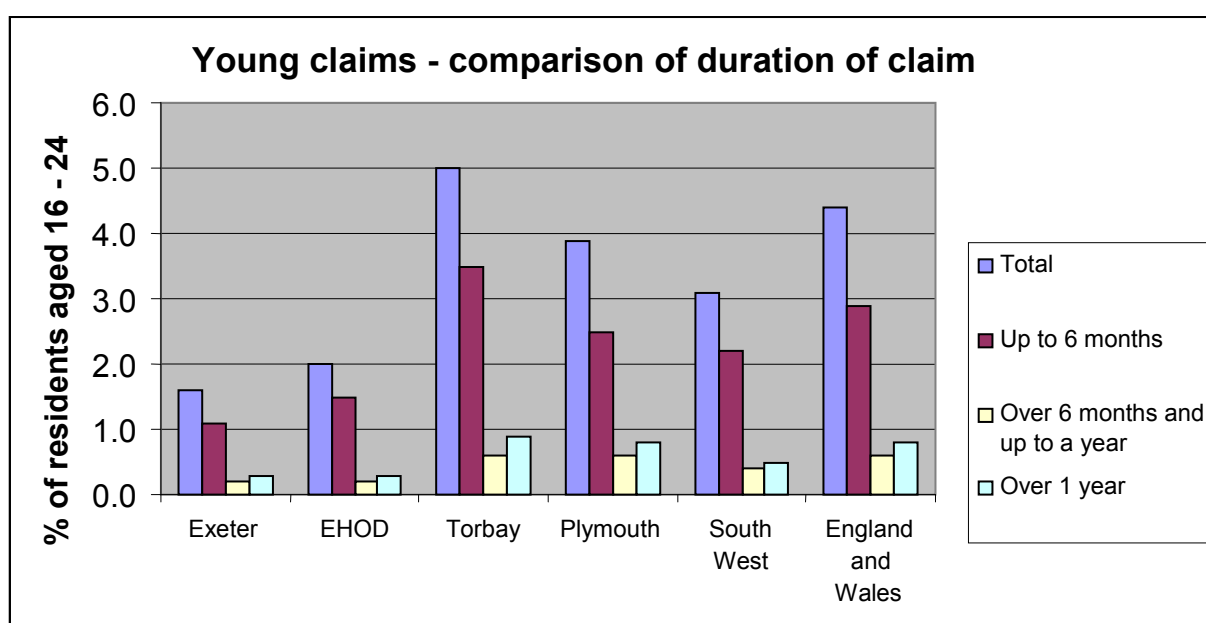
Date	Exeter		EHOD		South West		England & Wales	
	No.	%*	No.	%	No.	%	No.	%
Oct 2007	265	1.3	755	1.6	11,755	2.0	222,150	3.4
Oct 2008	490	2.5	1,255	2.6	16,680	2.8	271,380	4.2
Oct 2009	690	3.5	1,995	4.1	28,090	4.8	429,340	6.6
Oct 2010	550	2.6	1,465	2.9	22,560	3.8	360,790	5.5
Oct 2011	725	3.3	1,905	3.8	27,490	4.6	422,150	6.3
Oct 2012	570	2.5	1,625	3.3	24,810	4.1	382,495	5.8
Oct 2013	370	1.6	1,005	2.0	18,475	3.1	288,925	4.4



- 3.5 Since the national economic downturn in 2007:
- the number of 16 – 24 year olds in Exeter claiming JSA reached a peak of 850 in 2009
 - JSA claimant numbers for October 2013 are currently at their lowest level for 6 years, but still above the pre-recession level
 - the proportion of young Exeter JSA claimants aged 16 – 24 remains below the neighbouring districts of East Devon, Mid Devon and Teignbridge
 - whereas, the proportion of all claims aged 16 – 64 in Exeter is higher than in neighbouring districts
- 3.6 Comparing the duration that young people claim JSA shows similar trends across the South West, as shown in table 3. The majority, 255 in total, of all 16 – 24 year old JSA Claimants claim for less than 6 months, with the fewest claiming for 6 – 12 months and a slight increase for those claiming for over 12 months. Overall, Exeter performs well in getting young people into employment and or training.

Table 3 – October 2013 – Number and duration of JSA Claimants aged 16 – 24

Area	Total		Claiming up to 6 months		Claiming 6 – 12 months		Claiming 12 months +	
	No.	%	No.	%	No.	%	No.	%
Exeter	370	1.6	255	1.1	45	0.2	75	0.3
East Devon	180	1.5	140	1.2	15	0.1	20	0.2
Mid Devon	195	2.7	140	1.9	25	0.3	30	0.4
Teignbridge	260	2.3	205	1.8	25	0.2	30	0.3
EHOD	1,005	2.0	740	1.5	110	0.2	155	0.3
Torbay	630	5.0	440	3.5	75	0.6	115	0.9
Plymouth	1,540	3.9	990	2.5	230	0.6	325	0.8
South West	18,475	3.1	12,900	2.2	2,415	0.4	3,160	0.5
England & Wales	288,925	4.4	191,310	2.9	41,370	0.6	56,245	0.8



- 3.7 In terms of long term unemployment in Exeter, 20.3% of all JSA claims made for over 1 year are made by residents aged 16 – 24, as shown in table 4.

Table 4 – Year Comparison – JSA Claims over 12 months by Age Group

Age	October 2012		October 2013	
	No.	%*	No.	%
Aged 16 – 64	510	0.6	370	0.5
Aged 16 – 24	115	0.5	75	0.3

- 3.8 An analysis of ward level data in Exeter over a seven year period shows pockets of youth unemployment in a number of locations, as shown in table 5. The 4 wards of Priory, St David's, Exwick and Whipton & Barton consistently account for the majority of all 16 – 24 year old JSA claimants in Exeter.
- 3.9 Over the previous 2 years, young claimants of JSA have reduced by 21% and 35%.

Table 5 – Young JSA Claimants (Aged 16-24) by Ward for the month of October

Ward	Oct 2007	Oct 2008	Oct 2009	Oct 2010	Oct 2011	Oct 2012	Oct 2013
Priory	45	75	95	85	110	75	55
St David's	35	55	70	65	75	70	50
Whipton & Barton	15	35	55	50	45	35	35
Exwick	25	45	70	45	65	55	30
Cowick	10	25	30	40	40	35	25
Newtown	25	30	40	35	50	30	25
Mincinglake	15	30	55	30	45	30	20
Polsloe	15	40	35	30	35	30	20
St Thomas	10	25	45	25	45	30	20
Pinhoe	20	15	30	20	30	30	20
St James	15	25	45	35	40	35	15
St Loyes	5	15	20	25	25	25	10
Pennsylvania	5	15	20	20	25	15	10
Heavitree	5	20	25	15	15	20	10
Topsham	5	5	10	10	10	10	10
Alphington	10	20	30	15	40	30	5
St Leonard's	5	15	10	10	10	5	5
Duryard	5	5	10	10	5	10	5
Exeter Total	265	490	690	550	725	570	370

4.0 NATURE OF SUPPORT

4.1 In response to the challenge of youth unemployment the Government launched a £1 billion Youth Contract in April 2012 to help young unemployed people get a job. The Youth Contract aims to provide nearly 500,000 new opportunities for 18 – 24 year olds through a targeted range of initiatives, including:

- **Wage incentives**

Until April 2015 employers are able to take advantage of wage incentives. These are worth up to £2,275 each where they employ an eligible 18 – 24 year old through Jobcentre Plus or from the Work Programme.

- **Apprenticeship wage incentives**

Further wage incentives are available to support new apprenticeship pathways for 16 – 24 year olds and to encourage small employers, who have not previously taken on apprentices to benefit from the Apprenticeship programme.

- **Work Experience and sector based work academies**

Extra work experience places will be made available for young people aged 18 – 24 ensuring there is an offer of a work experience place for any young person who wants one, before they enter the Work Programme.

- **Apprenticeships**

Through the National Apprenticeship Service and its website additional information is being made available to guide businesses through the steps of setting up an Apprenticeship.

- 4.2 Exeter Job Centre Plus have a small team of advisers who work solely with young people and offer intensive support to them. They have an excellent track record of young people going on to find work after they have been on work experience placements. The take up of the wage incentives has been good by local employers. Job Centre Plus use their District Manager's Flexible Support Fund to fund specific activities for young people. As an example the Devon and Somerset Fire and Rescue Service run their Phoenix Courses, which deliver team-building, motivation and confidence activities.
- 4.3 Job Centre Plus have recently launched an on-line programme for young people called The Skills2Succeed Academy, offering group sessions for young people supporting them through modules to help them gain employment. They can also follow this at home using their own devices. Young people also receive support with basic skills (English, Maths and IT) and other employability type training, such as help with writing CVs and interview skills. Some types of vocational training leading to short qualifications are also offered.
- 4.4 Young People are eligible to go to the 'Work Programme' - the main welfare to work programme, after 9 months of unemployment, unless they have other barriers to gaining employment when they can be referred earlier. The Work Programme is intended to provide tailored support to individuals to overcome issues affecting their ability to find employment, to make the transition into apprenticeships, pursue self-employment and deal with health conditions.
- 4.5 A number of Careers South West advisers are located in Job Centre Plus to offer support and guidance to re-engage them into education or training and prevent them from becoming "NEET" (Not in Education Employment or Training). Job Centre Plus also promote apprenticeships, and more recently traineeships, to eligible young people.
- 4.6 The other key agency in this field, the Prince's Trust, offers a number of national programmes that young unemployed people can sign up to, some free of charge and some that do not affect their Jobseeker's Allowance.
- 4.7 **Enterprise** - The Enterprise programme supports unemployed young people aged 18 – 30 to work out if their business ideas are viable, and decide whether self-employment is right for them. The programme can offer mentoring support and, for those that really need it, financial support to start a business. The programme can offer a young unemployed person:
- training to give them a taste of what they need to know and do to start their own business
 - one-to-one support to help them to explore and test their idea and turn it into a business plan
 - support to apply for a low interest loan of up to £4,000 for a sole trader and up to £5,000 for a partnership to start their own business
 - mentoring to help them develop their business or access other opportunities in education, training, work or volunteering
- 4.8 **Get Into** - Get Into is a free short course and gives a young (aged 16 – 25) unemployed person intensive training and work experience in a sector, which could include sport, construction, cooking and customer services. Young people will:
- receive training from a qualified professional
 - where possible receive at least one week's work experience
 - have the chance to work in a team of up to 15 people
 - have the opportunity to improve teamwork and communication skills, boost their confidence
 - develop interview skills and their CV
 - receive help and support towards getting a job

- 4.8 **Team** - The programme is a 12 week course, designed to help young people uncover hidden talents and improve confidence, as well as gain a nationally recognised qualification. Within the Team programme a young person could:
- take on community projects
 - take part in an activity based residential week
 - gain two weeks' work experience in a field of their choosing
 - take part in a team challenge
 - have help with job-hunting and writing a CV

5.0 FINANCIAL IMPLICATIONS

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

6.0 RECOMMENDATION

- 6.1 That Members note the report and agree to continue being provided with a watching brief through an annual update on youth unemployment, unless trends change.

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

Background papers used in compiling this report:

Youth Unemployment, 30 May 2013 Scrutiny Committee – Economy