

Nottinghamjobs.com

A proposal for tackling youth unemployment in Nottingham

September 2013



Department
for Work &
Pensions



Nottinghamshire
County Council



Nottingham
City Council

Nottingham's Vision for Employment

This proposal should be seen in the context of Nottingham's overall vision for economic growth over the medium and long term, which is articulated in the Nottingham Growth Plan¹ and the D2N2 LEP Strategy for Growth². Underpinned by independent research³, this plan sets out a vision for the diversification of the economy, with a 21st Century 'manufacturing renaissance' in life sciences, green technology and digital content and will be achieved through realising our ambitions in three key strands of activity; developing infrastructure, fostering enterprise and equipping a highly skilled workforce.

The £1bn investment currently taking place in Nottingham's infrastructure, with the creation of two new tram lines, the upgrading of the city's train station and the dualling of the A453 provide the concrete foundations for future growth. The successful City Deal agreement reached with Government in 2012 focused heavily upon the need to create the conditions for enterprise to flourish, with a major new venture capital fund now in operation alongside other funds and a range of business support activities, all captured within the aspirations of 'The Creative Quarter'⁴.

This proposal focuses on the third key strand of activity, **developing a skilled workforce**.

We are not starting from a blank sheet in our efforts to reduce unemployment and equip citizens with the skills needed to compete in the jobs market and enable businesses to grow. Nottingham City Council has already identified the ambition to reduce unemployment levels by a quarter as its first priority and has started to make a series of investments to secure this improvement. A range of local projects have proven to be highly successful, including measures to increase apprenticeship take up and reduce NEET levels amongst 16-18 year olds. Work has started to integrate DWP and Council efforts to engage with employers to create vacancies. However, despite these efforts from some Government departments, from the Council and its local partners; the current outcomes are falling some way short of the overall vision.

To make this vision a reality, this proposal not only looks to provide the extra capacity required to support unemployed young people into employment but also act as the catalyst for a wider and more sustainable culture change in our efforts. We

¹ Nottingham Growth Plan;
<http://www.nottinghamcity.gov.uk/static/nottinghamgrowthplan/files/Nottingham%20Growth%20Plan%20Web.pdf>

² D2N2 LEP Strategy for Growth,
http://www.d2n2lep.org/write/Documents/D2N2_Consultation_Draft_Growth_Plan.pdf

³ Nottingham Trent University report;
http://www.ntu.ac.uk/apps/news/117577-22/Research_shapes_Nottingham_Economic_Growth_Plan.aspx

⁴ <http://www.nottinghamcity.gov.uk/pressarchive/index.aspx?articleid=20291>

wish to use this opportunity as the catalyst for establishing the structures to make such improvements for generations to come.

This culture change will rest upon clear governance arrangements and lines of accountability, effective commissioning and information sharing. This will dovetail in with our national leadership as a city on early intervention, sponsored by Graham Allen MP and also builds upon our successful strategies for increasing apprenticeship levels and in addressing troubled families and gangs.

It does however require several improvements from us. It requires us as a city to improve the employability skills of young people in schools. It also requires us to build upon the positive local relationship between DWP and Nottingham City Council to ensure that employers can respond to a more coherent offer, extending this further through support and challenge for community based groups. It requires us as part of a wider D2N2 LEP focus to ensure that supply of education and training matches demand in the economy, supported by a fit for purpose local further education system.

We are committed to this journey of improvement.

This proposal outlines a critical stepping stone in our journey along this path. Nottinghamjobs.com will be a long term approach to tackling youth unemployment. It will have clear leadership, be evidence led and make informed commissioning decisions on interventions that make a real difference to the lives of citizens in Nottingham that will ultimately deliver economic growth. To initiate this, it will support 2400 young people currently out of work into jobs, changing both their lives and the system that intended to support them.



Cllr Jon Collins, Leader, Nottingham City Council



Sir John Peace, Chair, Nottingham Growth Board



Peter Richardson, Chair, D2N2 Local Enterprise Partnership



Graham Sheppard, District Manager, Department of Work and Pensions

Supporting Statements from Partners

DWP has a strong partnership working with Nottingham City Council and therefore have contributed to the development of this strategy which will focus on young people as a priority. We are supportive of this programme of work which will create more job opportunities for 18 to 24 year olds and help better prepare young people for work to successfully move into sustainable employment.

DWP are committed to being an active member of the Programme Board which will steer this strategy and anticipate that this will contribute towards our aims of getting people back into work and support the increased take up of the youth contract offer.

Graham Sheppard, District Manager, Department for Work and Pensions



Central College Nottingham has a long standing and successful history of working with NEETs, delivering in the community and preparing young people for work.

The College would like to support Nottinghamjobs.com in their proposal and can offer a range of provision including work readiness programmes, mainstream skills training, pre-apprenticeship delivery, apprenticeship placements and bespoke support to the identified client group.

Mal Cowgill, Principal and Chief Executive, Central College Nottingham



The Skills Funding Agency has a well developed relationship with Nottingham City Council and through our work on the Nottingham Apprenticeship Hub has developed a model of good practice that extends the impact of the National Apprenticeship Service to increase participation in Apprenticeships in Nottingham.

The Skills Funding Agency supports Nottingham City Council works to develop this strategy as the evolution of our partnership work and an important milestone in aligning local ambition to an understanding of the national skills priorities which embeds the Further Education sectors contribution locally.

Karen Riley, Director of the Area Relationship Team & Jaine Bolton, Divisional Apprenticeship Director



Nottinghamshire County Council is pleased to be given the opportunity to work with the City Council on the Nottinghamjobs.com initiative. The City Council has an excellent track record of investing in activities to support young people into employment and we are keen to see how this can be extended into areas of need within the wider conurbation. Alongside our own investment in initiatives to support young people into work, we are keen to develop more holistic models with the City Council that recognise the labour market needs and address issues of mobility within the labour market."

Cllr Diana Meale, Chair of Economic Development Committee, Nottinghamshire County Council



As the prime contractor for the National Careers Service across the East Midlands and the organisation that delivers NEET reduction activity on behalf of both Nottingham City Council and Nottinghamshire County Council, Futures fully endorses this proposal and commits to making our resources available to make this a success. This includes our brokerage of strong employer links where we have relationships with 17,000 employers across the area.

John Yarham, Chief Executive, Futures Nottingham and Nottinghamshire



I am delighted to offer the New College Nottingham's (ncn) full support to the Nottinghamjobs.com programme. It is fundamental to our mission of Excellence, Employability and Enterprise that young people are job ready' when they leave ncn.

We have developed numerous programme to support our mission, including our new Learning Company model which gives students a real life work experience. I believe this model would complement the Nottinghamjobs.com initiative.

ncn is a community college, with courses ranging from Entry level to Degree level. ncn is committed to supporting young people on their journey through education into employment which would make us ideal partners to support those engaged in the Nottinghamjobs.com programme. With this in mind, we welcome any initiative which connects us with young people and allows us to fulfil our mission of developing the youth workforce, crucial to the success of the City.

Dawn Whitmore, Principal and Chief Executive, New College Nottingham.



Executive Summary

The Core City of Nottingham is proposing to deliver an innovative 3 year employment programme, '**Nottinghamjobs.com**', to help long-term young unemployed people get back into work. Using the Youth Contract funding, together with Nottingham's own funding, experience and partnerships we can create a seamless journey from engagement to employment for 18-24 year olds and deliver a range of interventions at a community level, tailored to meet their specific individual needs.

The Nottinghamjobs.com proposal will have the following characteristics and will:

- Get young unemployed people into work by:
 - Engaging 6,000 of the hardest to reach 18-24 year olds through a neighbourhood community programme, offering local solutions to help young people overcome their barriers to work.
 - Progressing 2,400 of this cohort into sustainable employment
- Be designed in a way which:
 - Offers innovative, but cost effective solutions that will drive up the performance of the youth contract and offer value for money for positive outcomes.
 - Builds upon what works and focus activity on where gaps are identified, particularly for groups of 18-24 year olds who have very specific needs which are not being adequately catered for
 - Works in partnership to reduce duplication and ensure the alignment of services, while maximising resources.
 - Ensures the engagement and influence of local companies as part the national employer ownership of skills agenda.
- Be delivered in a way which:
 - Prepares young people for the work place by offering intensive mentoring, motivational and training support.
 - Continues to support young people and employers for a period of 6 months once a job has been secured.
 - Provides a seamless journey for young people to take advantage of the employment opportunities being generated by Integrated Employer Hub, the Apprenticeship Hub and the Nottingham Jobs Fund.

To achieve these objectives Nottingham City Council has:

- Identified £7.32m matched funding.
- Developed a programme Nottinghamjobs.com, in partnership with the local DWP, community partners and the LEP in order to maximise the impact of the investment made and avoid duplication of provision.
- Ensured that the programme offers realistic outcome targets based upon solid value for money principles.
- Clearly identified how the Governance of the programme will operate and where responsibilities and accountabilities lie.
- Ensured that the rationale behind the programme and the proposed interventions are based upon reliable research and evidence.

- Taken the advice of relevant stakeholders including, local employers in developing the programme in order to ensure that it will provide young people with the employability skills they need to progress into employment.
- Taken care to position the proposal as part of the local Youth Employment Strategy to complement rather than compete with existing provision

The rest of this proposal sets out more detail on:

1. Evidence of the local challenge and understanding of youth unemployment
2. Plans to work collaboratively with local partners to drive up take up of the youth contract wage incentive
3. Proposals and rationale for Intervention
4. Costs and Impact
5. Match Funding

We would be delighted to discuss this proposal with you so we can give it the best possible chance of success in delivering the outcomes that our young people need.

'Nottinghamjobs.com'

A Proposal for Tackling Youth Unemployment in Nottingham

1. Evidence of the local challenge and understanding of youth unemployment

Nottingham is one of the youngest cities in the UK in terms of population age, with two out of five residents under 25⁵. The economic success of this group is vital to the future growth potential of the city. However, over the last few years, levels of youth unemployment have risen significantly.

In August 2013 the overall claimant count amongst 18 to 24 year olds in Greater Nottingham was 5,235, equivalent to 5.9% of people in this age group. The number of long term [over 6 months] unemployed young people stood at 2,210, 1,555 of which were within Nottingham City, figures which have risen substantially over the last decade. Using 2011 Census figures, the unemployment rate for 18-24 year olds excluding full time students would be around 12.9% for Greater Nottingham, with 5.4% being long term unemployed, which increases to an unemployment rate of 15% for Nottingham City with nearly 7% of 18-24 year olds being long term unemployed.

Two-thirds of long term unemployed young adults are male but the proportion of 18 to 24 year old females has also been on a rising trend for most of the last decade.

Chart 1: Long term unemployment amongst 18-24 year olds in Nottingham and Greater Nottingham 2003-13

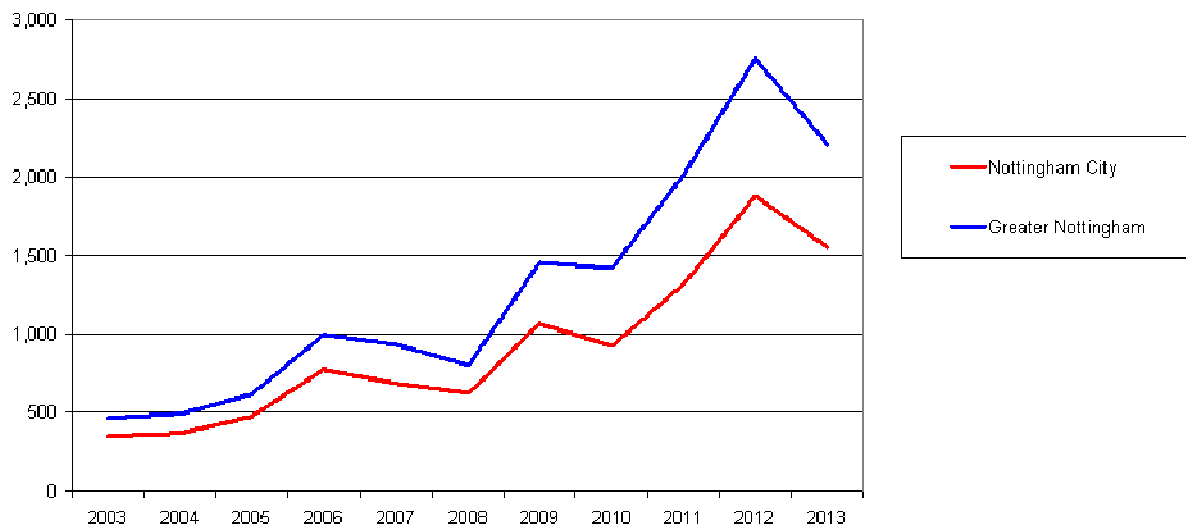
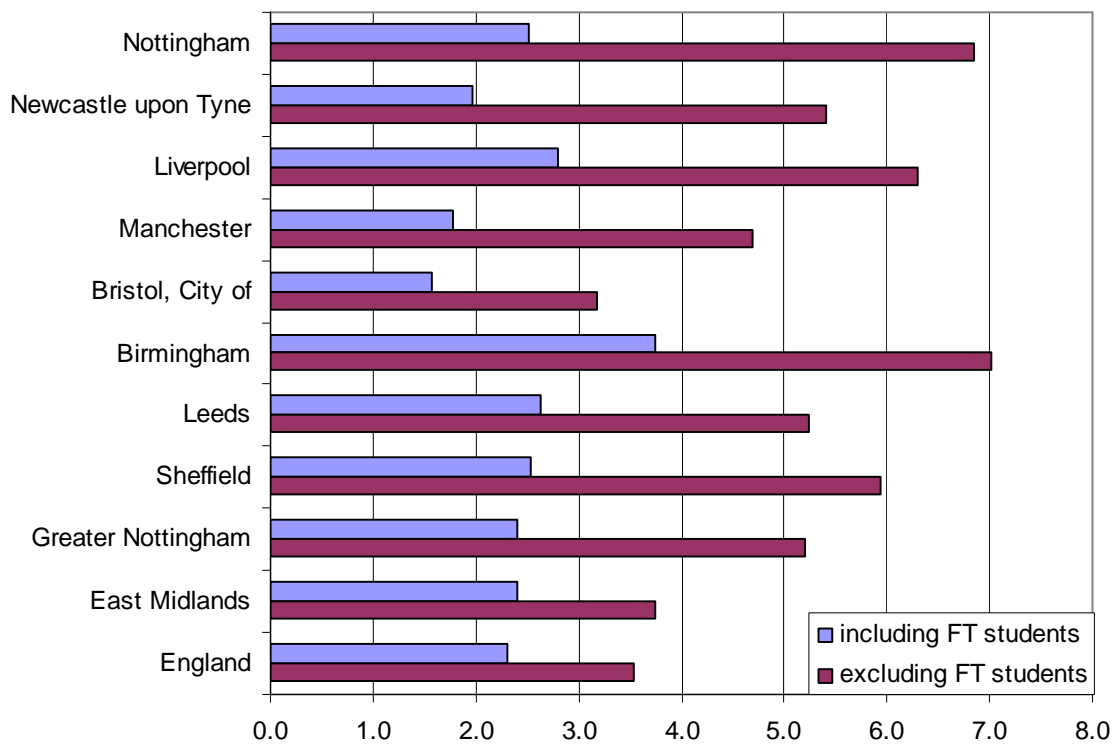


Chart 2 shows the long term unemployment rates for the 18-24 age group for the Core Cities. It shows the rates both including and excluding full time students as the inclusion of students distorts the percentage of 18-24 year olds who are JSA

⁵ONS mid year population estimates, 2012.

claimants, actively looking for work. The chart shows that Nottingham's rate of 2.5% when students are included in the figures is the equal fourth highest of the Core Cities and roughly in line with the national and regional figures. The influence of the universities can be seen when students are excluded and only Birmingham of the Core Cities has a higher long term unemployment rate for this age group. Nottingham's rate is considerably higher than the national and regional averages and the difference between the Nottingham City and Greater Nottingham figures shows the issue is more pronounced in the City than in the surrounding districts. Our proposal sets out to address this particular issue in Nottingham City and the areas of highest need within the wider conurbation, whilst understanding the need to dovetail in efforts taking place on a wider geographical basis across the Derbyshire and Nottinghamshire (D2N2) Local Enterprise Partnership (LEP) basis.

Chart 2: Long term unemployment rates for 18-24 year olds including and excluding full time students



In addition, in August 2013⁶ there were 411 (6.8%) of 16-18 year olds classified as NEET (not in employment, education or training) in Nottingham City and a further 245 classified as 'not known'. In Greater Nottingham 208 (3.5%) were NEET and 194 not known.⁷

There are also significant variations at very small spatial levels, such as Council wards, where we can see that long term unemployment rates vary considerably (especially when excluding students) with some wards as high as 10.9% for Killisick and over 11% for Aspley and Bulwell compared to the 5.4% for the area as a whole⁸.

⁶ Futures Data Report ME0018 August 2013

⁷ Futures Data Report PM00024, August 2013

⁸ ONS, August 2013

The Causes of Long-Term Youth Unemployment

The economic downturn since 2008 has adversely and disproportionately affected younger people. Recessions can have a stronger effect on the employment of young people than others because: a) employers made reduce or freeze recruitment; and b) it may be easier and cheaper to make less experienced employees redundant.

However, not all of the increase in youth unemployment can be explained by the economic downturn. The problem of youth unemployment has a structural element in addition to the cyclical impact of the recession. In a recent Parliamentary Inquiry⁹ the UKCES pointed to evidence of two key structural changes in the UK economy:

Since 2001 there has been stagnation or decline in the administrative, sales and elementary occupations that disproportionately employ young people. These types of jobs have also been very adversely affected by the recession.

There has been a rising share of private sector employment in smaller businesses which tend to favour recruitment of more experienced and therefore usually older workers.

Other factors also play a part in explaining relatively high levels of youth unemployment. For example, young people tend to be unsure about what they want to do and so they are more likely to experience short-term frictional unemployment associated with job change. They also tend to be less mobile, due to lack of resources which deters them from moving to match themselves with available jobs. They also have less experience of job search and fewer informal contacts and referees to rely on.

Just as youth unemployment rates vary between different spatial areas (as noted below), there are also variation between different groups who are classed as 'youth unemployed' based on ethnicity, gender, disability and health, qualification levels and a range of other factors. The unemployed youth are therefore far from a homogeneous group.

The Challenges Young People Face

A recent JRF report¹⁰ describes the difficulty of job searching for young people seeking low-skilled work. Amongst its key findings is the observation that very active job search is highly important. Intense competition, the importance of rapid reaction to vacancies, and the value of tailored applications, mean that the most productive job seeking and applying constitutes 'a job in itself'. Those without home internet access face a marked disadvantage. However, scattergun activity (applying for ever wider types of jobs ever further away) is not always better.

The OECD's research has identified two groups (in particular) who are most at risk of achieving poor employment outcomes, they are: a) those that never make it onto the labour market, who often have no qualifications, come from minority backgrounds

⁹ Youth Unemployment and the Youth Contract, Work and Pensions Committee – Second Report, 2012

¹⁰ The Challenges For Disadvantaged Young People Seeking Work (Joseph Rowntree Foundation), 2012

and/or live in disadvantaged areas; and b) those who are 'poorly integrated new entrants' who may have participated in some sort of learning but do not have the skills to maintain a stable job, therefore moving in and out of short term employment. Research undertaken by the Department for Business and Skills¹¹ chimes with local experience here in Nottingham when it comes to identifying the most commonly identified needs amongst young people seeking work which are: improving employability skills; establishing realistic career expectations; maintaining their confidence and motivation; understanding the world at work and improving basic maths and English.

Why We Need to Respond to the Challenge

Unemployment has a negative impact on people no matter what their age, but it has a particularly negative impact on young people.

Long periods of unemployment have been shown to have potentially 'scarring' effects which have a harmful impact in later life, particularly for young people not in education, employment or training (NEET). Research undertaken by the OECD¹² suggests that once individuals; particularly those in the 18-24 age group; reach 12 months unemployed they become much harder to engage in employment, and can even result in 'permanent withdrawal' from the labour force. Long term unemployment can lower future income levels, skills validity, future employability, job satisfaction, happiness, and health levels¹³

The AVECO Commission on Youth Unemployment has undertaken research¹⁴ specifically focused on the UK and this also underlines the imperative to act to address youth unemployment because of its longer term effects on the individual involved: it can do permanent damage to long term employment and earnings potential; it increases the likelihood that these people will become welfare-dependent later in life; people unemployed at a young age are likely to be paid less later on in life; their mental and physical health will be negatively affected; and they are more likely to get involved in anti-social activity.

Youth unemployment also results in significant costs to the public purse because of higher spending on benefits, lost income to the exchequer through tax receipts forgone, and higher spending on publicly funded services such as the NHS and criminal justice system as well as many local government services.

We also know that there are 'hot spots' where youth unemployment is a particular issue and problem. These areas of concentrated joblessness present particularly complex and sometimes seemingly intractable problems in addressing what can become a mix of interconnected economic and social factors affecting individuals, households and local communities. Addressing the issue of youth unemployment is therefore of importance to the young people themselves but also, in some circumstances, to society and local communities as well.

¹¹ Employment, Partnership and Skills, BIS Research Paper (BIS), 2013

¹² Jobs for Youth, Organisation for Economic Co-operation and Development (OECD), 2010.

¹³ Tackling Long-Term Unemployment Amongst Vulnerable Groups (OECD Working Paper), 2013

¹⁴ Youth Unemployment: the crisis we cannot afford (ACEVO), 2012

How Best to Respond

A recent discussion paper¹⁵ explores comparative data on youth unemployment across Europe and the strategies being used to support school to work transitions. The paper argues that the key lesson from countries with low rates of youth unemployment is the need to develop strong transition systems, including high quality initial vocational education and training that opens up real opportunities in the labour market. The report identifies the following key lessons for the UK which need to be born in mind when devising, managing and implementing schemes to address youth unemployment and disengagement:

There is a need to achieve a sustained improvement in the quality and status of vocational education and training in the locality.

It is vitally important to engage more employers to recruit, train and offer work experience to young people. Employer engagement is also underlined as a key success factor in other recent research reports^{16 17} in this field.

The benefits of a localised approach to addressing youth unemployment – a hallmark of our proposed model for Nottingham – are now better understood and more widely accepted than was the case a decade ago. The key advantages to a locally-based approach to this problem are as follows:

It enables need and existing provision to be identified, researched and understood in a way that can then enable tailored solutions and packages of support to be developed and customised to local circumstances.

It is critical to addressing particularly high levels of youth unemployment in ‘hot spots’ much smaller than local authority boundaries. Here in Nottingham we have identified a small number of such ‘hot spots’ which our proposed model will enable us to address cost-effectively.

The opportunities it allows to develop stronger and more effective linkages with other relevant activities, projects and schemes which may have a valuable track record and accumulated experience on which to draw on and complement. The importance of partnership working in driving outcomes for young people is a point (success factor) repeatedly underlined in a LGA report¹⁸ looking into long term youth disengagement.

The scope it provides for strengthening partnerships with community-level organisations who can help deliver and/or facilitate access to specific target groups (amongst young people who are NEET) from a position of trust.

In short, Nottingham has a major and growing problem with long term unemployed young people, and that problem has at its root a multitude of factors associated with economic and social deprivation: a low technical skills base, low employability skills, lack of aspiration, lack of support, cultural benefit dependency.

¹⁵ Youth Unemployment in Europe: lessons for the UK (CIPD/IPPR/TUC), 2012

¹⁶ Beyond the business case: The employer’s role in tackling youth unemployment (The Work Foundation), 2013

¹⁷ Engaging Employers in Tackling Youth Unemployment (CIPD), 2012

¹⁸ Hidden Talents II: re-engaging young people, the local offer (LGA), 2012

The landscape of local jobs that young people have traditionally gone into has changed markedly over the last three decades and the transition from learning to work has become more difficult as competition for jobs has increased, particularly for those young people who have few or no qualifications. Added to this, the current array of pre-employment interventions designed to help young people progress into work have had limited success in Nottingham and have operated in a largely piecemeal and disjointed way.

We can define this broadly, as an ‘employability gap’, and this employability gap explains the under performance of existing schemes. Nottingham City Council and its partners have a clear vision to dramatically improve this situation. The Council has made reducing unemployment its top priority and the Nottinghamjobs.com’ URL captures the range of measures that the Council is current leading to improve the situation. However, despite the individual projects proving successful, a more coherent and impactful range of interventions including more radical and innovative developments are required if we are to see the step change in youth unemployment levels that are required in Nottingham.

2. Plans to work collaboratively with local partners to drive up take up of the youth contract wage incentive

In recognition of the challenges faced by young people who are trying to find work, Nottingham City Council has led a partnership of local stakeholders, including JCP and Nottinghamshire County Council, in the development of a Youth Employment Strategy¹⁹ designed to bring about a ‘step-change’ in the employment prospects of young people in the city and across the county.

The Strategy was published in May this year and is endorsed by Sir John Peace, chair of the Nottingham Growth Board as well as chair of Experian, Burberry and Standard Chartered Bank. It is also aligned to the D2N2 LEP Skills Plan²⁰ and outlines the following three ‘strands of action’:

1. Create more job opportunities
2. Better prepare young people for work
3. Bring coherence and alignment to the various activities (and funding sources) that seek to help young people make the transition from learning to work

Whilst the Strategy has local partnership support, it has lacked the necessary funding to translate much of its ambition into positive action. The invitation from the Minister for Core Cities to propose innovative solutions to tackle long term youth unemployment therefore comes at an opportune time.

The project will directly contribute to the delivery of the D2N2 LEP Skills Plan priority to reduce youth unemployment and as a result will report via a refreshed Nottinghamshire governance board for skills to the D2N2 Skills Commission on progress and to share learning across the LEP area, rolling out good practice where appropriate.

¹⁹ Working for Youth – Work for Life, January 2013.

²⁰ D2N2 LEP Skills Plan, 2013.

The overall programme will be monitored and steered by a programme management board, which will include representatives from the key partners such as Nottingham City Council, DWP, Futures (appendix 1), the Skills Funding Agency (SFA) and other partner representatives as appropriate. The proposal has been formulated through a working group with representatives from these organisations and will be further extended when delivery commences to also include local employers, thereby ensuring that the programme continually meets employer need.

The accountable body and lead partner for the Nottinghamjobs.com proposal for tackling youth unemployment will be Nottingham City Council with the close working support of DWP, Nottinghamshire County Council and the D2N2 LEP. We are convinced that the proposal will only be successful if there are clearly defined roles and responsibilities for key partners. The key strategic partners supporting the initiative will carry out the following responsibilities:

Nottingham City Council will:

- be responsible for the performance and the achievement of the programme's targets;
- ensure that the programme design continues to meet business needs;
- promote the Nottinghamjobs.com model for tackling youth unemployment through its business networks;
- ensure the sustainability of the approach to employability and job creation;
- establish an effective employment focused partnership with third sector providers embedded in local communities that offers unemployed young people and their families support into work.

DWP will:

- provide assurance that the programme aligns with mainstream programmes including the Work Programme;
- play a central role in managing jobseeker referrals to Nottinghamjobs.com, ensuring that the programme is given equal weighting by advisers;
- lead on the early identification and tracking mechanisms to be set in place as part of the programme;
- advise the partnership, based on JCP's data analysis of off-flows, where the programme and associated resources should be concentrated to have the greatest impact on youth unemployment;
- align other resources available to the organisation, including the Flexible Support Fund, in support of the Nottinghamjobs.com to confer pilot status on the programme, thereby giving it the opportunity to secure the freedoms and flexibilities that the programme requires.

The Skills Funding Agency will:

- Provide assurances that the Nottinghamjobs.com initiative remains consistent with the employability objectives of the national skills strategy;
- advise the partnership to ensure that the programme is aligned with apprenticeships, traineeships and other work-related training;
- facilitate dialogue with local colleges and providers with significant delivery presences in Nottingham to ensure the local community and market need is understood and reflected in their planning.

The Nottinghamjobs.com proposal builds on the experience gained from similar initiatives that have been delivered across Nottingham and the D2N2 LEP area over recent years. As a result of these initiatives, much of the infrastructure needed to support the Nottinghamjobs.com proposal; including the governance arrangements; is already in place and there is a broad consensus amongst strategic and delivery partners of what pre- and post- employment support should be offered. The intensity and responsiveness of this support offer is seen by all as critical in securing the engagement and support of businesses, particularly those SMEs that are less willing to take on the risk associated with employing young people.

It is also clear that the Youth Contract Wage Incentive could be a useful additional encouragement to secure employer engagement for the Nottingham Youth Employment Strategy. However, this does need to be fully integrated into the city's well-developed business brokerage and support arrangements. Partners across the city and the D2N2 LEP have a good knowledge of what works best in progressing young people into employment and there is a consensus that engaging local employers is a critical component of this. That is why, via the work of the Nottinghamshire Employment and Skills Board and the LEP Skills Commission, we bring together employers, local authorities, the DWP and other strategic partners, to improve the effectiveness of employer engagement and the coherence of local and national youth employment interventions. These two key partnerships will provide the strategic direction for the Nottinghamjobs.com initiative and ensure its alignment with the D2N2 Growth Plan.

3. Proposals and rationale for Intervention

i) Creating Job Opportunities

One example of a local youth employment initiative which has informed the design of the Nottinghamjobs.com model is the Nottingham Jobs Fund (NJF). As a means of tackling youth unemployment for the most disadvantaged in the labour market, Nottingham City Council offered a 50% wage subsidy to those employers who took on an 18-24 year old young person who was likely to face a number of barriers to work, including lack of skills, mental health issues and emotional and behavioural difficulties. The Nottingham Jobs Fund over the last two years secured 400+ jobs for local young people; many of who were apprenticeships; and it currently has a sustainability rate of 87%. The success of the programme has been due in particular to the excellent partnership work of DWP and Nottingham City Council, the strong engagement of local companies and the effectiveness of the intensive caseworker support model provided to young people. The NJF programme addressed head-on the three main issues that employers identified as barriers to recruiting 18-24 year olds:

- The lack of job-readiness of young people - with the help of community partners, the NJF programme established a number of pre-employment interventions which helped young people to develop their employability skills and overcome personal barriers.
- The complexity of existing employment programmes – the programme offered a simple, easy to understand package to employers that effectively 'hid the wiring' from them.

- The lack of ongoing support for employers – The NJF programme offered employers and trainees work placements prior to the start of a job and ongoing in-work support for 1 year.

The success of the Nottingham Jobs Fund has been complemented by the development of the Integrated Employer Hub which is a joint delivery mechanism for employer engagement under one common brand. By increasing capacity and co-locating NCC Employer and Apprenticeship Hubs, with JCP vacancy management functions and creating a multidisciplinary team, the service offers a tailored recruitment service to employers, which in turn enables us to maximise the job opportunities for local people.

This Employer Hub secures training and job opportunities for young people via a number of levers that the Council and its partners in this proposal are uniquely placed to use. They include:

- The Section 106 planning approval process;
- Including training and job targets in the procurement process;
- Capturing jobs created through financial support programmes for business, such as the Nottingham Technology Grant (N'Tech) and through inward investment.

By bringing the two services together, this enables a further increase in the number of employers that can be proactively engaged.

The Apprenticeship Hub, delivered in partnership with the National Apprenticeship Service and Jobcentre Plus, works with employers locally to increase uptake of apprenticeships. It has three core objectives a) to increase the number of apprenticeships offered by local employers by raising awareness and offering a further grant incentive alongside the AGE grant, b) to increase the number of young people from Nottingham who secure these opportunities by working with young people, their parents and schools and c) to improve the quality of apprenticeships and the process of delivery by working proactively with providers.

In less than one year of delivery, we are already starting to see some impact with Nottingham moving from a position of 15% below the national average 18 months ago to 33% above the national average in April 2013.²¹

Nottingham is increasingly a success story on apprenticeships, and we want to continue that success and become a beacon city for the growth and development of our apprenticeship offer.

A recent report by the Centre for Economic and Social Inclusion (CESI),²² highlights that wage incentive schemes such as the DWP's Six Month Offer (2009-10) and the Youth Contract Wage Incentive have all suffered from very low employer take-up. CESI suggests that the wage incentive might have greater effect if it were linked to locally determined programmes shaped in response to the needs and established networks in a functional economic area, such as the City Deals. The Nottinghamjobs.com proposal therefore aims to combine a range of intervention and

²¹ Apprenticeship data as provided by the Data Service, August 2013

²² Youth Contract Wage Incentives – a failure to listen to evidence, *CESI*, (July 2013)

support measures with the youth contract wage subsidy, to reassure local employers that the risks associated with taking on a young person are substantially reduced.

As part of this proposal Nottingham City Council has committed a further £2 million to the Nottingham Jobs Fund 2 initiative enabling us to combine it with the Youth Contract wage incentive therefore generating a further 450 18-24 job outcomes over the next two years, and consequently supporting the uptake of the youth contract wage incentive.

To address what many employers see as an unhelpful six month delay in receiving the wage subsidy, the Nottinghamjobs.com proposal is seeking to work with the DWP to develop a protocol to enable early payment and an integrated approach to paying the subsidy to reduce the level of bureaucracy and support the cashflow of local SMEs. It would also enable Nottingham jobs.com to present itself as a seamless integrated service that helps local people and local firms to succeed.

By securing the coordination of the whole Nottinghamjobs.com intervention programme and the payments of the youth contract wage subsidy, we are confident that in the Core City of Nottingham we would be able to deliver a step-change improvement in the take up of the wage incentive and a reduction in the number of long-term unemployed young people.

ii) Matching Demand with Supply

Despite the local success in job generation, feedback from local employers still demonstrates that they are continuing to experience difficulties in recruiting to the job opportunities that are being created, with young people either failing to attend interviews or demonstrating a lack of 'work readiness' when they do.

Our experience of working to increase Apprenticeships bears this out. The most recent data received from the National Apprenticeship Service²³ for August 2013 identified that out of 240 Nottingham City 16-18 year old applicants for that month only 11 were successful. We can therefore assume that the picture is similar (if not worse) for the 18-24 age group.

While it would appear that there is no shortage of provision aimed at 18-24 year olds, many are not in contact with organisations offering support or if they are, this support fails to meet their needs in adequately preparing for employment.

Despite our success in many areas, this is a chronic and growing problem as it is in many cities. Our young population furthest away from the labour market, is not being given the right intensive support, and where the support is in place it is piecemeal, ad hoc and dependent upon the performance of individual organisations or the existence of individual funding streams or programmes.

The market, on both the supply and the demand side, needs greater coherence. In order to address this market need and provide support for this hard to reach cohort, our experience has demonstrated that need varies from individual to individual, and community to community.

²³ Apprenticeship data as provided by the Data Service, August 2013

Our vision is therefore:

To create a seamless journey through from initial engagement to employment for the young person at a community level; tailored to meeting their specific needs

At a time when the need to maximise resource has never been more important a number of guiding principles have been adopted:

- Addressing needs on an individual basis and creating bespoke packages of provision where required.
- Bringing coherence to mainstream resources and provision where possible and only providing additional resources where gaps are identified, particularly for groups of 18-24 year olds who have very specific needs which are not being adequately catered for.
- Preparing the young person for the work place and therefore engaging employers throughout the programme and in its overall governance.
- Building upon what works is key, with a strong track record of delivery locally through a range of employment programmes such as those highlighted above and the Future Jobs Fund, which delivered 1000 job opportunities in Nottingham City during the project lifetime and achieved a 30% sustainability rate with local employers.
- Working in partnership to reduce duplication and ensure alignment of services, while maximising resources.
- Focusing on engaging the hardest to reach 18-24 year olds and meeting specific identified needs through a neighbourhood community programme, offering local solutions to help young people overcome their barriers to work.
- Offering innovative, but cost effective solutions that will drive up the performance of the youth contract and offer a competitive price for positive outcomes.

All of this will be delivered under one common strategy and brand; **Nottinghamjobs.com.**

iii) Neighbourhood Activation and Co-ordination

The Programme seeks to develop a mix of interventions that can be delivered at an individual and community level and look to activate local neighbourhoods ensuring that young people are adequately prepared to enable them to secure and sustain the job opportunities that are created by the initiatives outlined above and in doing so improving performance of the youth contract as more vacancies are recruited to.

The underlying theme for the Nottinghamjobs.com proposal is to build upon what is already there rather than adding to the complexity or duplication of existing provision. We are conscious of the need not only to demonstrate value for money of this proposal but not to undermine the value for money and effectiveness of existing programmes. Rather than delivering the programme just at a city wide level, the

proposal is to develop and deliver provision at a neighbourhood level, to ensure the needs of the cohort are met, while ensuring consistent quality and good practice across the city as a whole.

This proposal will target the whole of Nottingham City and those areas within the wider conurbation that have high levels of youth unemployment. Each of these areas will have its own employment plan, and those plans will take account of local need and the quality and quantity of local support and provision. As a result, the model for delivery may well be different in each area. However, they will all be part of a city-wide framework that guarantees a level and quality of provision, using the resource and powers of the local authority and its partners.

This will need a structure and co-ordination to make it happen and to change the current status quo. It is therefore proposed to base 8 Neighbourhood Employment Activation Officers, three of which will be funded by Nottingham City Council to work closely with local providers to develop the area employment plans, commission the community elements of the programme, coordinate the work readiness programme and ensure the delivery of the broader strategy within their areas. They will also work closely within communities to engage local employers to support the local programmes and other community providers to align activity.

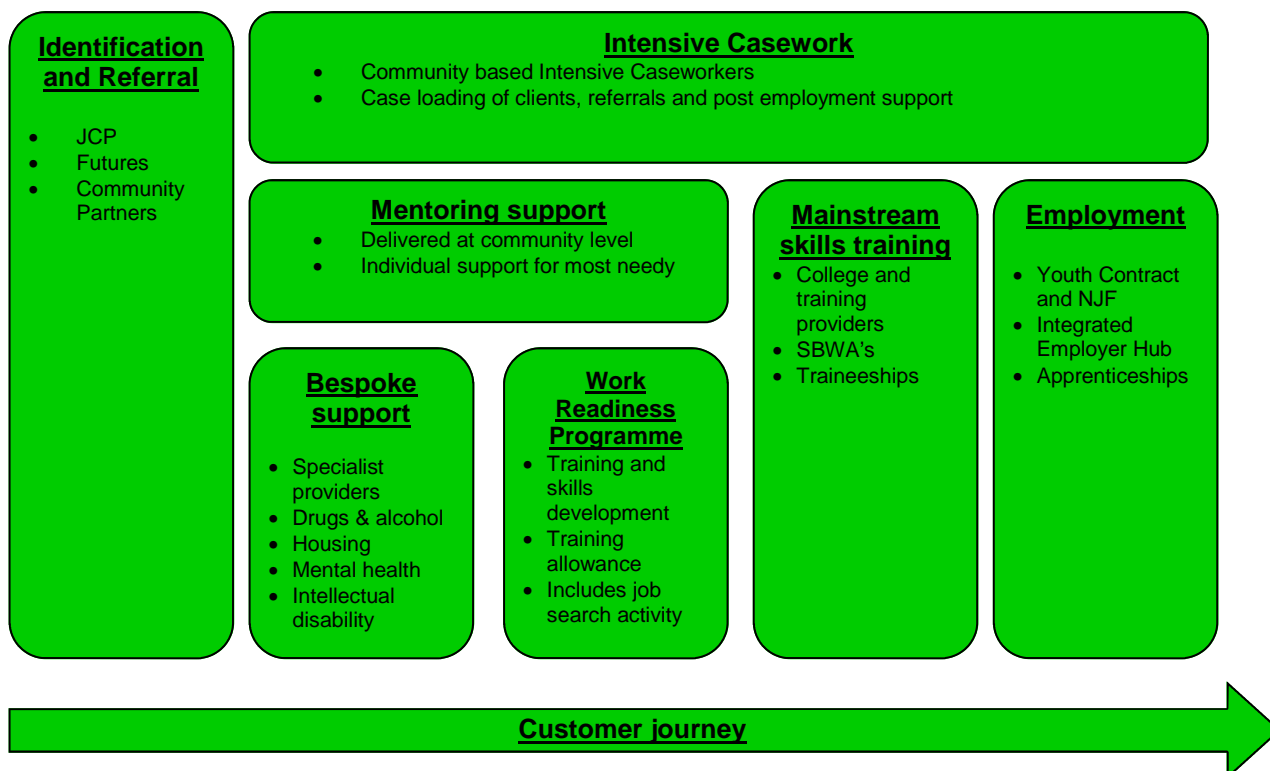
This will feed into a centralised team which will be fully funded by Nottingham City Council with a responsibility for the strategic overview of the youth unemployment agenda, to enable us to maintain an overview of quality to ensure a joined up approach and sharing of good practice across the whole of the area,

The majority of this programme will be delivered at a neighbourhood level and will therefore create a 'team' of individuals working to address youth unemployment on a local basis. Nottingham City Council has an ambition to create physical spaces which will act as community employment hubs within local facilities. There is scope for these venues to be the location for much of the community based delivery.

iv) Preparing Young People for Work

With an overall aim of reducing the numbers of young people who are or are at risk of becoming long term unemployed, Nottinghamjobs.com is based around the 'journey' the young person takes to prepare them for work, with the ultimate aim to connect young people to the vacancies that are created through the Integrated Employer and Apprenticeship Hub and Nottingham Jobs Fund, linked to the wage incentive.

Nottinghamjobs.com – The Journey to Work



v) Engagement, Initial Assessment and Intensive Caseworking

Within the 18-24 age group there are three groups against which our interventions are targeted:

- 18-24 JSA claimants between three and nine months unemployed;
- 18 year olds joining the register who are NEET and therefore at risk of becoming long term unemployed;
- Young adults aged between 18-24 returning to JCP from the work programme, having been unsuccessful in securing employment.

While the default position will be that all young people within these three categories will be referred into the programme, in order to manage the risk of 'dead weight', we will work closely with DWP advisors to ensure that only appropriate referrals are made. This will be monitored through the partnership approach outlined earlier. In the instances where individuals are already engaged with Futures (appendix 1) as part of their NEET programme or NCC through the troubled families project then a 'case conferencing' approach would be implemented to share information which will inform the decision on the likelihood of the young person becoming long term unemployed.

Building upon the successful model already adopted in Nottingham for 16-18 year olds to reduce the level of NEETs; delivered by Futures; which has recorded lower NEET and Not Known levels than all other Core cities for many years; each young person entering the programme will be allocated a caseworker, who will offer intensive support throughout the young persons journey into work and for a period of time once they are in work. DWP through its Watercourt Youth Hub and Futures

(appendix 1), through their National Careers Service additionality delivery programme, funded by Nottingham City Council, already offer some intensive support to some 18-24 year olds, but this is by no means covers the whole 18-24 cohort.

The programme therefore aims to increase our capacity to offer an intensive level of service for all 18-24 year olds who have been identified as in need of continued support in finding employment.

Caseworkers will be community based and, once the individual enters the programme, a 'warm handover' again utilising the case conferencing approach will be implemented where partner agencies share background information and agree a common way forward. An assessment of each individual and their needs will be undertaken, which considers all of their barriers to employment and involves the engagement of specialist support where needed.

In support of this partnership approach each individual will be logged and tracked upon a secure, shared database, which enables the ongoing monitoring of progress.

The caseworker will be responsible for the following:

- Identifying and agreeing goals and key milestones.
- Providing quality information, advice and guidance.
- Identifying appropriate services to provide support on social issues such as homelessness, drug use, debt advice, mental health services.
- Accessing appropriate skills provision including pre-recruitment or work readiness training or job specific training, literacy and numeracy, job search support.
- Monitoring progress against milestones and outcomes of referrals, reviewing the action plan as appropriate.
- Brokering job opportunities, particularly those through the integrated hub and Nottingham Jobs Fund.

vi) Mentoring Support

While it is recognised that many young people who are unemployed are already accessing mainstream services and proactively engage with the process, there are many young people, particularly those who are furthest away from the labour market, who don't and for whom mainstream activity does not work effectively.

Alongside the continued support, individuals will be referred to receive mentoring support, based within their local community when appropriate. The role of the mentor will be different to that of the caseworker as they will be recruited from the local community and focus more on the pastoral needs of the individual, helping them prepare for opportunities and keeping them focused on a day to day basis by ensuring that they understand the importance of life skills such as personal hygiene, use of appropriate language, wearing suitable clothing.

The mentors will also play a role in providing job search support, running work clubs within local communities particularly for this client group, and working with employers to provide ongoing input and skills development.

The overall aim of this community based provision would be to engage with young people who are the hardest to reach within their communities and work with them to raise their aspirations towards work, to develop the life and social skills that are needed as a first step in any journey towards employment, preparing them for more formal learning environments and encourages them to engage effectively with the other opportunities.

In the development of this programme we have drawn on experiences of a number of projects delivered locally at a community level which have demonstrated considerable success in engaging the hardest to reach. In addition, we will work to align it to a new pilot project we are currently implementing to engage and mentor young people you are involved in gangs or youth violence, with a view to moving them towards employment. We will use the learning of this project to inform the development of wider mentoring service.

Where providers are already working within local communities to deliver similar programmes, we will work through them rather than bringing in outside support. Where there are successful schemes already in place, we will align funding and activity where possible and where there are gaps we will introduce new, bespoke programmes

vii) Bespoke Support

Some young people experience not just one barrier to employment but several, many of whom will need additional more specialised support to deal with before they can access employment.

The aim of the programme is to remain as flexible as possible to meet the individual needs of the young person, therefore the proposal is to create a discretionary fund to commission additional support as required, which can be administered by the continuous support team, but agreed through the case conferencing process.

Feedback from the DWP and our experiences of working with these age groups through the Nottingham Jobs Fund and troubled families programme suggests that the types of issues are likely to need to be addressed are those suffering with mental illness; disabilities (including learning disabilities), BME groups; carers; care leavers and ex-offenders. In Nottingham there is already a range of provider organisations who are expert at meeting the specific needs of these groups and the Nottingham.jobs.com programme would work closely with local partners such as the Nottinghamshire Fit for Work Service, Business in the Community, Princes Trust and Nottingham Equal.

One example of bespoke support that Nottingham City Council is developing in collaboration with DWP is a programme of digital inclusion to tackle the digital skills gap amongst 18-24 year olds. A community intervention programme has been designed to provide young people with the skills they need to fully utilise Universal

Jobs Match, My Benefits online, and other initiatives that form part of DWP's Digital Agenda.

viii) Work Readiness Programme

An understanding of the work place and the basic employability skills required is a gap that is regularly identified by many employers. A number of colleges and training providers already offer programmes of this type, but report to us that they struggle to engage the young people or adequately prepare them for the 'classroom environment' as they do not have the resources to undertake the intensive engagement and mentoring activities that would be required.

This element of the programme will therefore involve the delivery of a cohesive and comprehensive community-based pre-employment programme, primarily aimed at 18-24 year olds who are 'furthest away from the labour market'. Delivery will take place within local communities, and suitable young people friendly venues. The detailed content and length of the programme structure will be designed around the needs of each particular group. Employer involvement will be a key part of this programme not only through the provision of a work experience placement, but also through the delivery of mock interviews, taster days and work shadowing. These community based pre-employment programmes will be accredited ensuring the young person to achieve a Level 1 or Level 2 Employability and Skills Award.

Where possible, mainstream pre-employment training provision funded by the SFA, will be accessed but where this provision is not available or where quality is deemed to be poor quality, then additional training and support will be developed through a range of providers with a track record of success in this area of work.

In order to motivate unemployed young people to undertake and sustain a pre-employment training programme, particularly if they have a history of being long-term NEET, the Nottinghamjobs.com programme is seeking designation as a DWP training programme to enable JSA payments to be converted into a training allowance for the 12 week pre-work phase of the intervention. This approach proved very effective in the 1980s with the Employment Service's Work Based Learning initiative and this would allow the programme to pay a supplementary training allowance of £40 per week to those young people who demonstrate a sustained commitment to the programme without affecting their benefits. This training allowance will increase motivation and reward commitment. It can be withdrawn at anytime if the young person's attendance falters.

ix) Mainstream Skills Training

Further education colleges and independent training providers offer a wide range of vocational courses and Traineeships at all the appropriate levels, and we will work alongside them to maximise opportunities and support young people to apply for appropriate courses/traineeships.

Where appropriate we will look to integrate traineeships with the pre recruitment training securing support of employers along the way.

x) Progression onto the Work Programme

Once a young person reaches 9 months unemployment they currently progress onto the Work Programme. However, for many young people, especially those who are the 'hardest to reach', the journey to employment may take longer than six months, particularly if they don't access the additional support from day one. Once the young person embarks on this journey it's important that they are given the maximum opportunity to achieve their goals and have stability along the way. With this in mind, we are requesting that DWP is given the ability to defer progression into the Work Programme, until either through the case conferencing approach it is agreed that the individual can no longer benefit from this approach, or until the young person has participated in the more intensive support programme for 12 months.

xi) Securing Employment

As outlined earlier, employment opportunities will be generated, in particular, by the work of the Integrated Employer Hub, the Apprenticeship Hub and the Nottingham Jobs Fund. These jobs, mostly at entry level, will be sufficient in number and range to provide credible and realistic opportunities for young people.

Sector based work academies enable a young person who is nearing 'job readiness', and has made a choice with regards to which sector they want to work within and develop an understanding of the skills required to work within that sector. A large number of Sector Based Work Academies are already delivered through mainstream funding, therefore through the Integrated Employer Hub we will develop bespoke SBWA's (delivered through the use of mainstream resource) aimed at this client group and linked to the vacancies that are created and secured.

Our experience has shown that proactive case load matching is the most effective way of identifying appropriate candidates for specific roles. Once an individual is 'job ready' and/or has completed the work readiness programme, through their caseload advisor they will be job matched to vacancies or SBWA's linked to vacancies, and will work with their mentor to access the community based job search facilities such as work clubs. The Caseload Advisors will receive daily updates on vacancies from NJF, and both the Employer and Apprenticeship hubs and work will build working relationships to ensure two way communication and feedback.

xii) Post Employment Support

Our experiences from the Future Jobs Fund and subsequently the Nottingham Jobs Fund have demonstrated that once a young person has secured a job, both the individual and the employer need a level of support as they adjust to the world of work. Support will therefore continue throughout the period of employment on NJF, (which will also help young people looking for a permanent position should the placement not be successful) and/or for a period of 6 months should the individual move into sustained employment.

4. Costs and Impact

The Nottinghamjobs.com programme will run for 3 years.

It will engage 70% of the 3 month plus 18-24 cohort. Based on August 2013 figures, this equates to 2,000 (per annum) long term unemployed 18-24 year olds, a forecast total of 6,000 young people over three years.

40% of this cohort will progress into sustainable employment and be eligible for the youth contract wage incentive. This would equate to 800 young people (per annum), a total of 2,400 wage incentive outcomes over 3 years.

In addition, a significant proportion of the eligible cohort that do not progress into work will become more work-ready, active job seekers who develop the practical and interpersonal skills needed to access the jobs being created via the Integrated Employer Hub and the Nottingham Jobs Fund. Many will also gain further qualifications and reduce their dependency on other support agencies such as social services, the probationary service and the NHS.

In order to deliver the Nottinghamjobs.com programme and fill the identified gaps in delivery and support an additional **£5.602m** is required to deliver the programme outlined above.

The following table provides a breakdown of costs over the 3 year programme:

Programme - Pre-Work Phase -	Volumes	Cost
Neighbourhood Activation and Co-ordination	6000	£825K
Engagement, Initial Assessment and Intensive Caseworking	6000	£618k
Mentoring Support	2,841	£480K
Bespoke Support Discretionary Fund (mental health, disability etc.)	1,200	£752K
Life Skills and Work readiness programme e.g. motivational training, presentational skills, and interpersonal skill development.	1,630	£815K
Facilitation for Mainstream Skills Training	630	£120K
Training allowance	1,630	£782K
Programme – In-Work Phase		
Employment, brokerage, inc travel passes, employer liaison etc	2,400	£450K
Continued Post Employment Support	2400	£760K
Overall Unit Cost		£2,334
Overall cost		£5.602m

Total Programme Funding = £5.602 million

5. Match Funding

Nottingham City Council has committed £7.32 million match funding to the delivery of this programme, which can be broken down as follows:

- £2 million 'Innovation Funding' that Nottingham City Council will allocate to support the delivery of intensive support to NEETs and 'Not Known' 18-24 year olds.
- £3 million for the Nottingham Jobs Fund 2 proposal.
- £520,000 for the costs of 3 x Employment and Skills Community Officers & overall programme management costs.

- £600,000 to support the delivery of a centralised team.
- £200,000 funding towards Employer Hub through section 106 and NCC.
- £1 million apprenticeship funds through City Deal.

As part of an ongoing commitment to this agenda, Nottingham City Council are looking with remodel ongoing finances to ensure the sustainability of this programme in line with the extent of need demonstrated, while the D2N2 LEP are looking to commit future European Funding at similar volumes to ensure ongoing sustainability and potential roll out across the wider LEP area.

We believe that overall the programme offers good value for money and will bring about an alignment of funding and partner commitment that will increase the impact of every pound spent in the city to tackle youth unemployment. The Nottinghamjobs.com proposal builds on existing provision and adds value in terms of coordinating and targeting activity across the city. £5.6m of central government funding will be matched by £7.32m of local authority money and this will deliver a step-change in the take-up of the youth contract wage incentive and a reduction in the long-term unemployment rate of young people.

Appendix 1

Watercourt Academy

Water Court Academy was designed to support the launch of the Youth Contract in April 2012. and supports young adults between the ages of 16 and 24. The specialised Academy is currently a sector specific centre and concentrates mainly on Hospitality, Retail, Care and Administration. The Academy offers both excellent customer service and a personalised approach to help move claimants back into the labour market quickly and more smoothly.

The Academy works closely with external partners providing various services for claimants, including video CV's, mock interviewing, application from techniques, CV help and Skills Conditionality interviews

Futures

Futures is an advice and employment support agency wholly owned and controlled by Nottingham City Council in partnership with Nottinghamshire County Council. It undertakes a variety of functions for the Council, including reducing NEET and Not Known levels amongst young people, statutory functions regarding learners with learning difficulties and disabilities and ensuring that the conditions of RPA and the September Guarantee are met. Futures has a detailed database of every young person in the city as well as 20,000 employers. It also delivers a range of other contracts including being the prime contractor for the National Careers Service in the east midlands.

Appendix 2: Sources - Relevant Research Studies

- Beyond the business case: The employer's role in tackling youth unemployment (The Work Foundation), 2013
- Employers are from Mars, Young People are from Venus: Addressing the Young People/Jobs Mismatch, CIPD/BiC, April 2013.
- Early Evaluation of the Youth Contract Wage Incentive Scheme, DWP, (Research Report No 828), 2013.
- Employment, Partnership and Skills, BIS Research Paper (BIS), 2013
- Engaging Employers in Tackling Youth Unemployment: Discussion Paper, CIPD, May 2012.
- Hidden Talents II: re-engaging young people, the local offer (LGA), 2012
- Parliamentary (House of Commons) Inquiry. 'Youth Unemployment and the Youth Contract' September 2012.
- Tackling Long-term Unemployment Amongst Vulnerable Groups, OECD Working Papers 2013/11, 2012.
- Jobs for Youth, Organisation for Economic Co-operation and Development (OECD), 2010.
- The Effect of Policy Changes on the Youth Claimant Count: Briefing, DWP, July 2012
- Traineeships: Supporting young people to develop the skills for Apprenticeships and other sustained jobs, DfE/BIS, January 2013.
- The Challenges For Disadvantaged Young People Seeking Work (Joseph Rowntree Foundation), 2012
- Youth Unemployment and the Youth Contract, Work and Pensions Committee – Second Report, 2012
- Youth Unemployment: the crisis we cannot afford, ACEVO Commission on Youth Unemployment, 2012.
- Youth Contract Wage Incentives – a failure to listen to evidence, July 2013.
- Youth Unemployment in Europe: lessons for the UK (CIPD/IPPR/TUC), 2012