

Unemployment in Nottingham and its impact on young people

This paper seeks to explore the issue of rising unemployment locally and the impact that the recession may have on children and young people. It will seek to explain what the current rate of unemployment is, what is likely to happen to the rate of unemployment over the next few years, what will be the likely impact on young people and what the local authority's response currently is.

It is worth noting that the issues for young people aged 18-24, aged 16-18 and aged under 16 are quite different, and in turn the policy responses required for each age group are also quite different. Children aged under 16 are impacted much more by parental unemployment, almost a secondary and indirect impact from someone they are dependent upon becoming unemployed. Once a young person turns 18 they are officially adults and are dealt with in the broader employment and skills agenda, whereas 16-18 year olds still fall under the remit of the Children's Partnership. Unemployment in the older age groups has a much more immediate and direct impact on the young person, although it does not mean that the impact is any more significant.

It is apparent that the main impact of the recession and rising unemployment in the city will be to place a higher demand on many council and partner services (particularly those areas of welfare, social and frontline services) at a time when revenue and income levels for the public and voluntary sectors are falling. Total government debt has risen to around £800 billion, an unprecedented 57% of GDP, and tax receipts have seen a 10% fall which is the biggest fall since 1923. Political parties are talking of reigning in public spending after the next general election. CIPD currently estimate that government spending plans will result in 350,000 jobs cut in the public sector in the 3 years after 2011, and the NHS Confederation report of 9th June estimated that the health service is facing a real terms budget reduction over the same time period of between £8-£10 billion. In light of this it is worth trying to understand where pressures may arise in order to monitor the impact of unemployment and plan for the future.

Table 0.1 seeks to summarise some of the impacts that rising unemployment, lower incomes and higher levels of poverty may have on children and young people and the public services that are supplied to them. Some of the impacts, such as higher absence and lower attainment are purely suppositions as no firm evidence has been found to link these to a recession. However the table is more of a checklist that services may want to monitor over the coming year for signs that the recession is impacting.

Table 0.1 – Possible impacts of the recession on young people and service provision

Age group	Effects of rising unemployment on specific age group	General effects of rising unemployment on all ages
0 - 5 year olds	Higher Infant Mortality, more low birth-weight babies	Higher levels of child poverty
	Higher demand on Health Visitors	
	Higher breastfeeding rates	
	Lower demand for childcare	
	Higher usage of Children's Centres	
5 - 11 year olds	Rising pupil numbers due to less going to independent schools	Higher levels of debt
	Rising Free School Meals	
	Less able to afford school uniforms	
	Higher exclusions	
	Higher absence	
	Higher levels of bullying	
11 - 15 year olds	Lower attainment	Increase in Child Tax Credits
	Rising pupil numbers due to less going to independent schools	
	Rising Free School Meals	
	Less able to afford school uniforms	
	Higher exclusions	
	Higher absence	
	Higher levels of bullying	
	Lower attainment	
16 - 18 year olds	Higher crime & ASB	Greater family stress
	Higher drug & alcohol usage	
	Higher NEET levels	
	Higher Not Known levels	
	Lower number of apprenticeships	
	Higher FE participation	
	Fewer part time vacancies to support FE	
	Higher Education Maintenance Allowance	
18 - 24 year olds	Higher crime & ASB	Higher risk of family breakup and absent parents
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	
	Those with lower skills unable to compete in jobs market	
18 - 24 year olds	Higher crime & ASB	Higher levels of Looked After, Child Protection and safeguarding issues
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	
18 - 24 year olds	Higher crime & ASB	More referrals and assessments within social care
	Higher drug & alcohol usage	
	Higher NEET levels	
	Higher Not Known levels	
	Lower number of apprenticeships	
	Higher FE participation	
	Fewer part time vacancies to support FE	
	Higher Education Maintenance Allowance	
18 - 24 year olds	Higher crime & ASB	Poorer emotional & mental health; higher rate of referrals to CAMHS and adult mental health services
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	
	Those with lower skills unable to compete in jobs market	
18 - 24 year olds	Higher crime & ASB	Poorer and more overcrowded housing
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	
18 - 24 year olds	Higher crime & ASB	Poorer home diet and health
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	
18 - 24 year olds	Higher crime & ASB	Higher crime & ASB
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	
18 - 24 year olds	Higher crime & ASB	Higher drug and alcohol usage
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	
18 - 24 year olds	Higher crime & ASB	Lower aspirations
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	
18 - 24 year olds	Higher crime & ASB	Lower levels of public sector funding
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	
18 - 24 year olds	Higher crime & ASB	Lower levels of 3rd sector funding
	Higher drug & alcohol usage	
	Higher demand for university places, more people rejected	
	Fewer part time vacancies to support FE	
	Fewer job vacancies upon graduation	

1. Past, present and future unemployment rates

A recession is defined as two or more consecutive quarters of falling GDP (Gross Domestic Product). There have been three previous recessions in the UK before the current one; these were in the early 1970's, early 1980's and early 1990's.

A recent report by the University of Nottingham on behalf of the Department for Work and Pensions¹ highlights the impact of previous recessions on unemployment claimant rates, not only how on much they increase but also how long it takes for the rates to return to previous levels.

¹ Department for Work & Pensions, Working Paper No. 68; Review of evidence on the impact of economic downturn on disadvantaged groups; Professor Bruce Stafford and Dierdre Duffy

Using labour market time series data from the Office of National Statistics it is possible to look at unemployment benefit claimant rates back to the early 1970's. The graph below shows the total claimant rate for the UK from January 1971 to June 2009.

The report from the University of Nottingham and the below Chart 1.1 shows that not only did unemployment claimants increase sharply during the recessions but that:

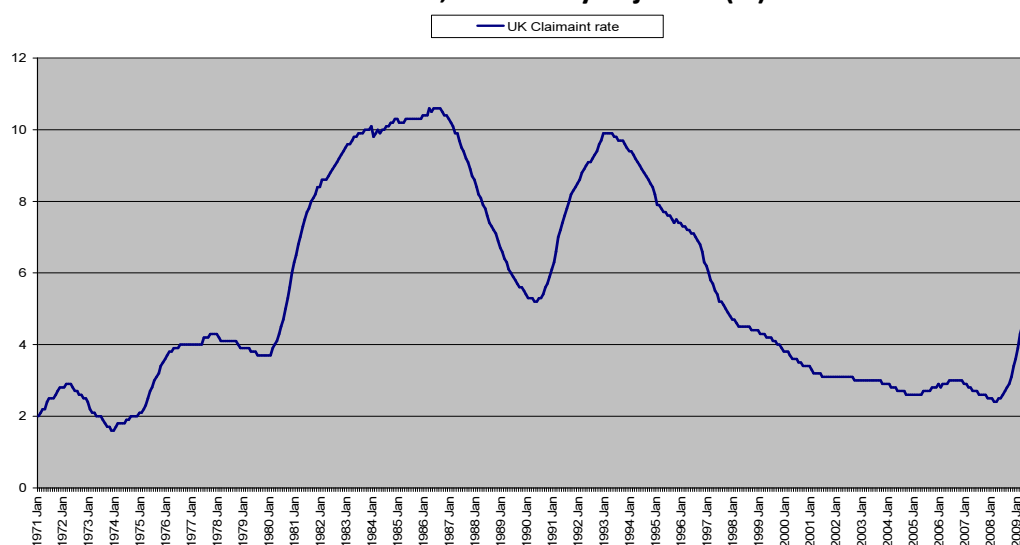
“all three recessions were associated with increases in unemployment that extended beyond the duration of each recession:

- **Early 1970's recession** – rate of unemployment increased from 1.6% in December 1973 to 4.3% between September and December 1977, and then briefly declined before the next recession. A trough to end of peak unemployment of 49 months.
- **Early 1980's recession** – rate of unemployment rose from 3.7% in January 1980 to 10.6% in March 1986, when it remained steady until August 1986 and then fell. A trough to peak unemployment duration of 80 months.
- **Early 1990's recession** – rate of unemployment increased from 5.2% in May 1990 to 9.9% between December 1992 and April 1993 and then declined. A trough to end of peak unemployment duration of 36 months.

The extended impact of economic recessions on unemployment is further highlighted by considering the time taken before the rate of unemployment returns to the rate prevailing at the beginning of each recession:

- **Early 1970's recession** – unemployment has never returned to 1.6%.
- **Early 1980's recession** – unemployment returned to 3.7% after 20 years and two months (in March 2000).
- **Early 1990's recession** – unemployment returned to 5.2% after seven years and one month (in June 1997).”

Chart 1.1 – Total UK claimant rate, seasonally adjusted (%)²



² Nomis

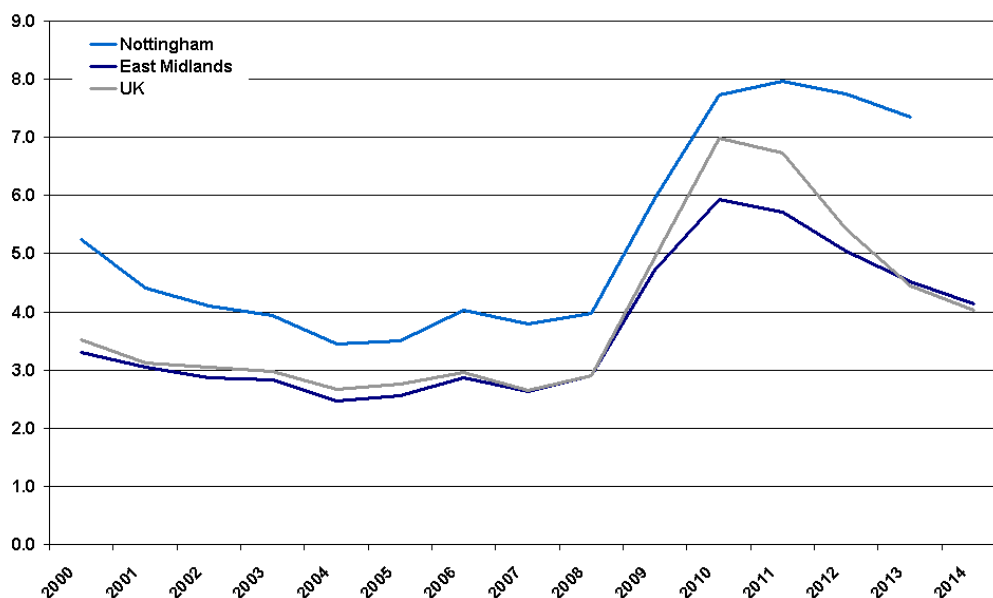
It is difficult to draw definite conclusions about any future trends from this past data due to the significant changes to the labour market that have taken place in the UK over the last 30 years, particularly the decline of manufacturing, growth of the service sector and the emphasise on 'flexibility'. However, taking the average time from trough to peak unemployment of the previous three recessions gives a timescale of 55 months.

The claimant trough for the current recession in the UK was March 2008 when the figure stood at 2.4%; this has been steadily rising over the course of the last year to stand at 4.8% in June 2009. The UK claimant rate has been rising for 16 straight months but may not reach its peak for another 3 years if the 55 month average is a guide. This could sound pessimistic but may prove quite realistic if pressures in the public finances force public sector spending to be cut over the next few years and beyond.

Recent analysis by Experian on behalf of the Nottingham Economic Forum suggests a slightly shorter length of time for peak unemployment nationally but unemployment locally may fit into this pattern.

Chart 1.2 shows that Experian's forecast is for unemployment to peak nationally and in the East Midlands during 2010, but the peak in Nottingham is not forecast until 2011. The recovery is also shallower and unemployment remains above current rates well into 2013.

Chart 1.2 – forecast claimant unemployment rates for Nottingham, the East Midlands and the UK³



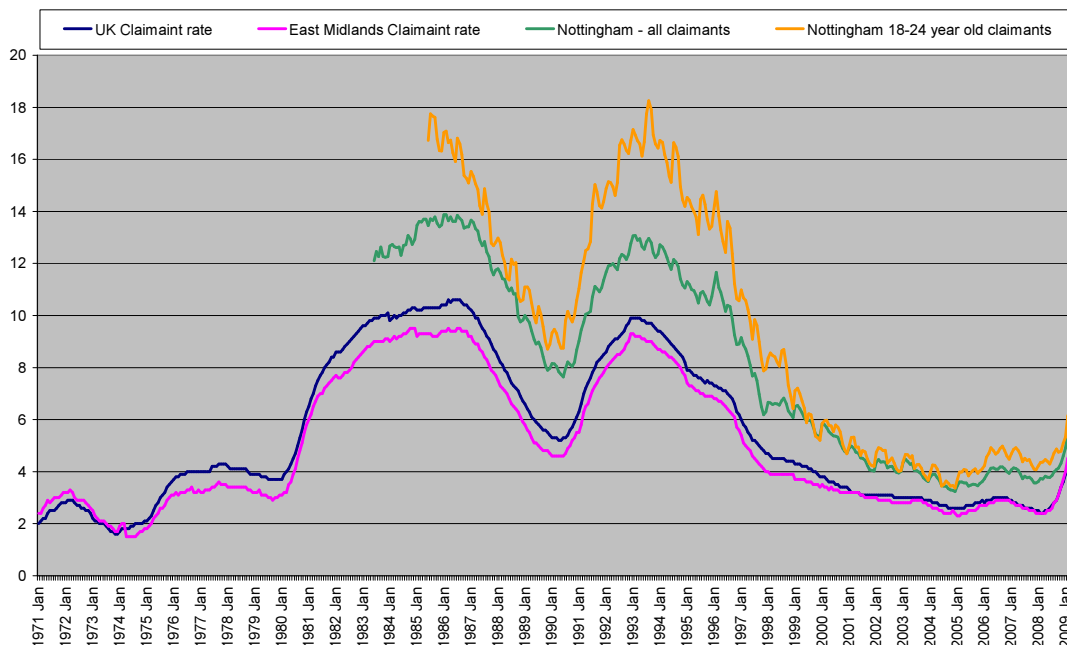
³ Experian, Regional Planning Service, reproduced from analysis by Experian Ltd produced on behalf of the Nottingham Economic Forum, June 2009

Particular concern has been expressed recently regarding youth unemployment with policymakers fearing that young people would be disproportionately affected by a rise in unemployment. Young people are viewed as at higher risk of unemployment because they are more likely to be in temporary employment, with temporary staff usually being laid off before permanent staff; they have less experience than other members of staff and so are more likely to lose out in rounds of redundancies; and also because firms do not hire school or university leavers when making job cuts so the vacancies are simply not there for them to apply to. As with all unemployment, the longer a person is out of work the more difficult it is for them to get back into the jobs market, this can be because of a range of factors from deteriorating self confidence to simply large gaps on a CV.

2. Unemployment amongst 18-24 year olds

By laying local claimant rates alongside the UK picture one can see the current position and compare it to previous recessions. Historically the city has had a higher claimant rate than the UK and the East Midlands, with the claimant rate amongst 18-24 year olds being higher still.

Chart 2.1 – Total UK, East Midlands, Nottingham and Nottingham aged 18-24 claimants (%)⁴



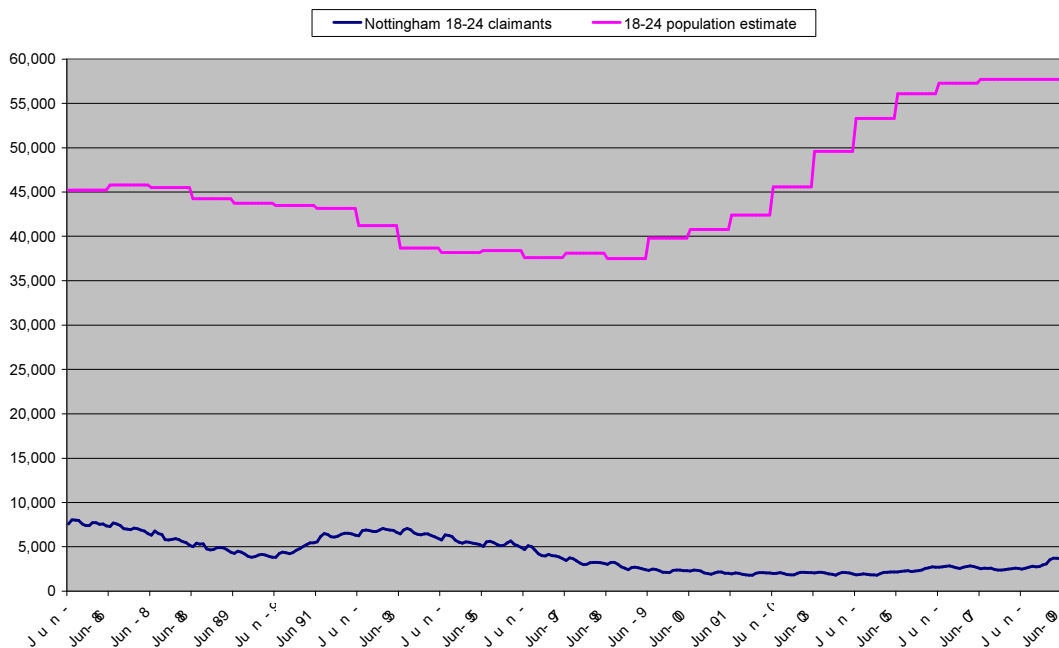
The peak for 18-24 unemployment claimants in the last recession was just over 18% in August 1993. The claimant rate amongst the Nottingham population has decreased significantly since that time, particularly amongst the 18-24 year olds where it is 6.2% in June 2009. Chart 2.1 shows that through the late 1990's and early

⁴ Nomis - Note: Percentage rate for Nottingham – all claimants and Nottingham 18-24 claimants is locally calculated using population data from Office of National Statistics mid year estimates

2000's the claimant rate amongst young people not only fell dramatically but also closed the gap on the claimant rate amongst the whole city population, actually dropping below the whole city claimant rate for a few months which had never happened before. This happened at the same time the whole city claimant rate also fell dramatically and closed the gap to the UK rates.

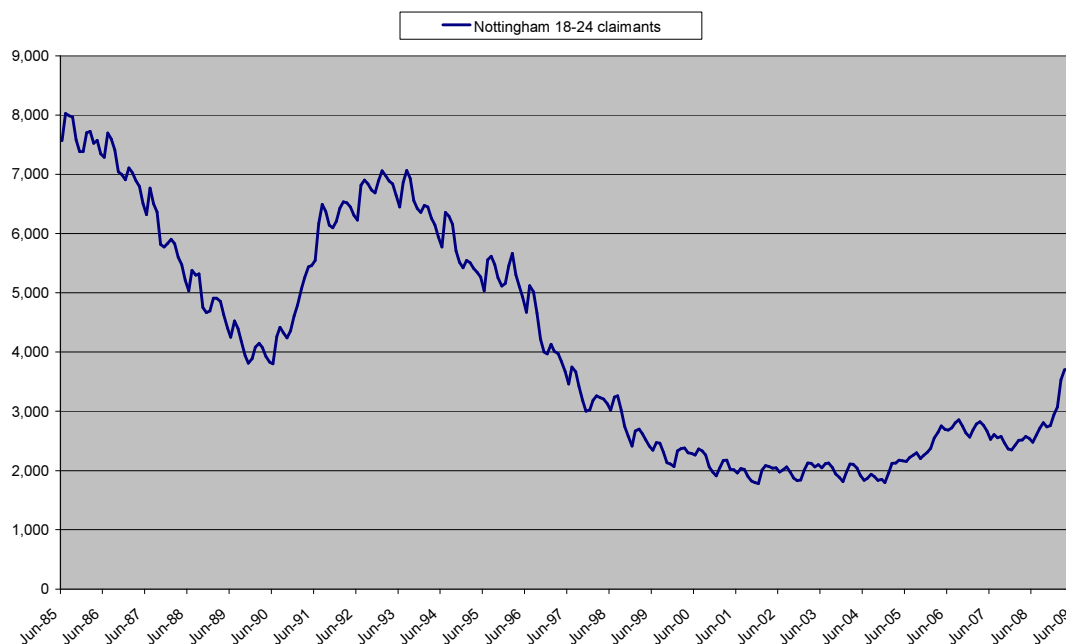
Progress in reducing unemployment claimants within the city has certainly proved successful since the last recession; however these figures paint a slightly rosy picture that on closer inspection masks the true extent of unemployment particularly amongst 18-24 year olds. There is no doubt that unemployment amongst 18-24 year olds has fallen since the last recession; however the number of 18-24 year olds in the city has also risen quite significantly because of the expansion and popularity of the two universities. An extra 20,000 students living in the city since 1999, none of whom would be eligible or needing to claim unemployment benefits, may have somewhat hidden the level of unemployment over the last few years amongst Nottingham's indigenous young people. This rise in the 18-24 population of the city and the decline in the 18-24 year old claimants over the last few years is demonstrated in Chart 2.2.

Chart 2.2 – Nottingham unemployment claimants and Nottingham ONS population estimates for young people aged 18-24⁵



⁵ Nomis data for 18-24 year old claimants and Office for National Statistics Mid Year Population Estimates

Chart 2.3 – Nottingham unemployment claimants aged 18-24⁶



Focussing in just on Nottingham’s 18-24 claimants, Chart 2.3 reveals that the numbers claiming have actually been rising relatively steadily since December 2004. Although after a short lull the rate of increase sharpened from 2008 onwards. In December 2004 there were 1,795 claimants, and even with a slight improvement over the last two months, by June 2009 this had doubled to 3,595.

The number of young people claiming in the city is now the highest it has been since August 1997, even though the percentage rate then was 9.6% compared to 6.2% now. However, analysis undertaken as part of the Future Jobs Fund bid put the percentage of 18-24 year olds claiming as 11.4% excluding all full time university students. This means more than 1 in 10 young people in Nottingham who are not at university are now claiming unemployment benefit.⁷ These figures aren’t directly comparable but it gives an indication of the scale of the challenge.

There may also be further unemployed young people who are hidden by focussing solely on the claimant count. The Annual Population Survey (APS) figures, which contrary to the name are actually reported quarterly, show that at the end of Dec 2008 there were 5,000 young people aged 16-24 who were unemployed. The APS definition of unemployment is wider than the claimant count in that it includes those who are looking for work but are ineligible for Job Seekers Allowance. The APS figure of 5,000 is significantly higher than the claimant figure of 3,595 suggesting that there are a sizeable number of young people not claiming JSA and that the actual number of unemployed is higher still than that discussed above.

⁶ Nomis

⁷ Future Jobs Fund bid document Nottingham City Council

There are very few under 18's contained within the claimant data which is why the focus above has been on 18-24 year olds. In June 2009 there were only 35 young people under 18 claiming as most are ineligible. Changes to JSA during the late 1980's seems to have excluded the majority of under 18's from claiming as almost overnight the number dropped from 6-700 to 20-30. This low figure did not go on to show much increase during the 1990's recession and a better measure of under 18 unemployment is the Not in Education, Employment & Training figures which will be discussed later.

Which areas of the city are most affected?

Table 2.1 shows a ward level breakdown for the city claimant rate as of latest data in June 09. This then compares the claimant number to last month, June last year and June 2004.

The table shows that the top 5 wards for total claimant rate in June 09 are Bestwood, Bulwell, Bilborough, Aspley and Clifton South.

The top 5 wards for percentage increase since June 2004 are Dunkirk & Lenton, Clifton South, Leen Valley, Sherwood and Mapperley.

The only ward appearing on both lists is Clifton South.

It should be noted that some wards such as Arboretum, Wollaton East and West, and Clifton North will have a lower rate of claimants due to high density of university students.

Table 2.1 – Claimant count by Ward

Ward	June 2009			Change in last month - May 2009		Change in last year - June 2008		Change in last 5 years - June 2004	
	Total Number	Rate (unofficial)	% Long term unemployed*	Number Increase	% Increase	Number Increase	% Increase	Number Increase	% Increase
Arboretum	170	3.4	29.4	10	6.3	50	41.7	60	54.5
Aspley	320	13.9	26.6	-20	-5.9	70	28.0	125	64.1
Basford	205	10.7	26.8	-10	-4.7	65	46.4	105	105.0
Berridge	240	7.9	20.8	-5	-2.0	100	71.4	125	108.7
Bestwood	320	15.9	32.8	-35	-9.9	75	30.6	120	60.0
Bilborough	250	14.1	22.0	-15	-5.7	75	42.9	140	127.3
Bridge	170	8.3	17.6	10	6.3	45	36.0	65	61.9
Bulwell	290	15.5	29.3	-25	-7.9	80	38.1	150	107.1
Bulwell Forest	130	9.9	23.1	5	4.0	50	62.5	70	116.7
Clifton North	125	6.0	20.0	-10	-7.4	40	47.1	75	150.0
Clifton South	170	11.7	20.6	10	6.3	70	70.0	105	161.5
Dales	195	8.5	23.1	0	0.0	60	44.4	100	105.3
Dunkirk and Lenton	80	1.2	25.0	0	0.0	25	45.5	50	166.7
Leen Valley	90	7.7	22.2	0	0.0	45	100.0	55	157.1
Mapperley	185	9.2	21.6	-5	-2.6	85	85.0	110	146.7
Radford and Park	180	2.1	25.0	0	0.0	55	44.0	85	89.5
Sherwood	150	8.7	20.0	5	3.4	65	76.5	90	150.0
St Ann's	255	7.4	25.5	5	2.0	60	30.8	90	54.5
Wollaton East and Lenton Abbey	30	0.5	16.7	5	20.0	0	0.0	15	100.0
Wollaton West	45	3.4	22.2	0	0.0	10	28.6	25	125.0
Total	3,595	6.2	24.8	-70	-1.9	1115	45.0	1,755	95.4

Source: ONS Claimant Count, from NOMIS

Note: Rates are calculated by NCC and are unofficial

*Long term unemployed = claiming 6 months or longer

Policy framework for combating rising youth unemployment

There are a number of national measures and initiatives through Job Centre Plus to support young people back into work; the level of support is increased the longer a person is unemployed.

Job Centre Plus Support (6 months on JSA) – increased support from JCP to meet needs of local claimants.

Young persons Guarantee (10-12 months on JSA) – a suite of programmes for 18-24 year olds to help them back into work.

Flexible New Deal (12 months on JSA) – contracts still being negotiated.

Graduate Talent Pool – newly launched national website aims to link graduates with internships. There will also be work placements for non-graduates, including 10,000 places for 18-21 year olds who have not been to university.

Nottingham's response

Nottingham City Council has established an Economic Resilience Workstream to combat the national and local downturn. Initially a number of short term policy initiatives were identified and established underneath the 'We're on your side' banner to help reduce costs for families and make sure they were receiving what they were entitled to. These ranged from free and low cost activities for young people over the summer, encouraging uptake of free school meals to those who were eligible, and Job Centre Plus work in Children's Centres to help young parents get back to work.

The Economic Forum has now been established, chaired by John Peace of the Work Foundation and ex chairman of Experian. The Forum consists business and academic leaders from or based in Nottingham with the aim of helping advise the council on how to steer the city out of economic difficulty as quickly as possible. The Forum has recently identified 3 critical priorities for focus, these have been approved by a larger group of local business leaders, and they are:-

- **Targeted support** for small to medium sized enterprises – making sure that good businesses are not going under due to lack of access to credit.
- **Skills** – during every recession a group get left behind due to lack of skills and Nottingham's skill levels are not high compared to other areas.
- **Aspirations and confidence** – partly around business confidence and partly the aspirations of local people.

Nottingham's Jobs Plan 2009 – Key Programmes

The **Future Jobs Fund** bid has recently been successful and will receive £6.5 million of national funding with an additional £4 million being matched through the Working Neighbourhood Fund. The Fund will create 1,000 new jobs of one year in duration starting delivery by April 2010 with new opportunities coming from the Public Sector, Voluntary Sector, Social Enterprises and SME Businesses across the Nottingham City area. The jobs will be paying above minimum wage and will be for over 25 hours a week, they will primarily be aimed at 18-24 year olds who have been

claiming for over 12 months and also those aged over 24 in priority neighbourhoods. The jobs will provide a training and work plan for each employee as part of their development and should demonstrate progression into further employment or apprenticeship positions. The new jobs are being targeted in sectors where future demand is expected to grow, in particular the Care and Green Sectors.

The **Public Apprentices Programme** has secured £1.5 million from the Working Neighbourhood Fund in order to create 150 apprenticeships in the public sector. This will have a focus on young people aged under 20, including school leavers, from across the city. The apprenticeships will be mainly within Nottingham City Council with 20 places within the PCT.

The **Community Task Force Programme** has secured £1.42 million from the Working Neighbourhoods fund and will have 900 places available including 13 Nottingham City Council Apprentices. This programme should be up and running by January 2010 with contracts running until September 2011. There will be a focus on priority neighbourhoods and although young people can access it there will not be a specific focus on attracting them to it.

The **Enterprise Ecologies Programme** has recently secured £1 million from the Working Neighbourhood Fund in order to work with community groups and local people to turn good ideas into small businesses. It is estimated that it may create up to 350 new jobs across the city; it is open to all ages and does not have a specific focus on young people. It will look to develop enterprise skills amongst those within the programme and will focus primarily in deprived neighbourhoods who may not take advantage of enterprise. There will be a dedicated business community advisor actively seeking to stimulate enterprise within the area.

Other opportunities

Backing Young Britain is a campaign that has recently been launched and aims to encourage employers all over the country to do everything possible to give young people the help they need to find a job, training or work skills and experience. The campaign aims to bring businesses and public/voluntary sectors together to ensure that the valuable skills of young people aren't being wasted. The campaign is asking organisations to commit to one or more of the following:

1. Offer volunteer places
2. Provide work experience opportunities
3. Offer internships to 18 year olds and non graduates
4. Offer graduate internships
5. Supply apprenticeship opportunities
6. Access the Future Jobs Fund
7. Engage in a Local Employer Partnership

Nottingham City Council is already committed to fulfilling most of these and may want to explore committing to the campaign.

Two new websites have been launched - [What's next?](#)⁸ - offering advice to school and college leavers, Graduates and finding your first job, and [Backing Young Britain](#)⁹ bringing organisations across the country together to make a commitment to back young Britain.

University

The universities within Nottingham are a key driver of the local economy. The large number of students living within the city relative to the overall size of the population means that they bring a large amount of money into the city which they spend in shops and entertainment venues.

The retention of these students after university has been seen as important to the city to drive up skill levels for employers and help attract inward investment.

Initial indications seem to show that the recession will have an impact in a number of ways on the universities and students.

Applications to university have seen a significant rise this year. A cap on university places was introduced last year to cut costs with only an extra 3,000 places planned, after record numbers of applications this year the government announced extra funding for a further 10,000 in July. There have been upwards of 60,000 extra applications this year leading many universities to declare their courses already full. UCAS has said that they expect an extra 22,000 places to be available through clearing although last year there were 44,000. The fear is that this could lead to up to 40,000 students unable to get into university this year at a time when there will be fewer jobs for them to go as an alternative.¹⁰

Unsuccessful university applicants or those finishing Further Education this summer will be eligible to sign on for Job Seekers Allowance from September. If they have not secured employment there could well be a further surge in the number of claimants from then until Christmas.

The definite impact of the lack of university places for this years applicants is difficult to gauge for Nottingham. Although Nottingham has a large student population it has a small number of its native young people accepted for university. Although the number has been rising in recent years there were only 805 Nottingham residents under 20 years old who were accepted in 2008/09, and a further 515 aged 20 to 29 years old.¹¹ Competition for places this year will be high but it should not be anticipated that a large number resident within the city who will be unsuccessful. What may have just as much, if not more, impact on the city will be what happens to

⁸ <http://whatsnext.direct.gov.uk/index.html>

⁹ <http://interactive.bis.gov.uk/backingyoungbritain>

¹⁰ <http://www.guardian.co.uk/education/2009/aug/14/university-clearing-places-alevel-students>

¹¹ Attainment, post 16 progression and HE participation trends in Nottinghamshire: 2001/02 to 2008/09; Aim Higher

this year's graduates at the two Nottingham universities and those returning home from university elsewhere.

A lack of jobs for this year's graduates will have an impact over the coming months on the claimant count; they will be eligible to start claiming in September. Information from the Destination of Higher Education Leavers Survey¹² showed that within Nottingham there were 12,500 people who graduated in 2006/07. Of those who responded to the survey 29.9% were retained in the Greater Nottingham area, a lower level than in all other Core Cities except Bristol. However there was also a low rate of graduates who lived in the local area before attending the universities compared to the other Core Cities, only 12.8% lived in Greater Nottingham prior to attending the universities. The recession may see more young people leaving the city to return home if there is a lack of jobs for them, this will have the effect of reducing skill levels in the workforce and reducing income for the city businesses and council.

Data from Aim Higher indicates that graduate vacancies this year are down by around 25% with the situation expected to continue well into the next year, the worst hit sectors are IT, banking and engineering. Nationally it is expected that 1 in 10 of this year's graduates will still be unemployed in 6 months time, around 35-40,000 people. Competition for each graduate vacancy is becoming fiercer, for example commercial law firms have seen the number of applications for each vacancy rise from 52 a year ago to 130 now.

3. Unemployment amongst 16-18 year olds

As touched upon previously, there are very few under 18 year olds who are claiming Job Seekers Allowance due to eligibility criteria. Young people aged 16-18 upon leaving school are referred to as either in Employment, Education or Training (EET) or Not in Education, Employment or Training (NEET). The remit for reducing NEET young people is now with the local authorities and within Nottingham the lead for this is taken by Connexions who work right across the 14-19 agenda to ensure as many young people as possible are in Education, Training or Employment between the ages of 16-18.

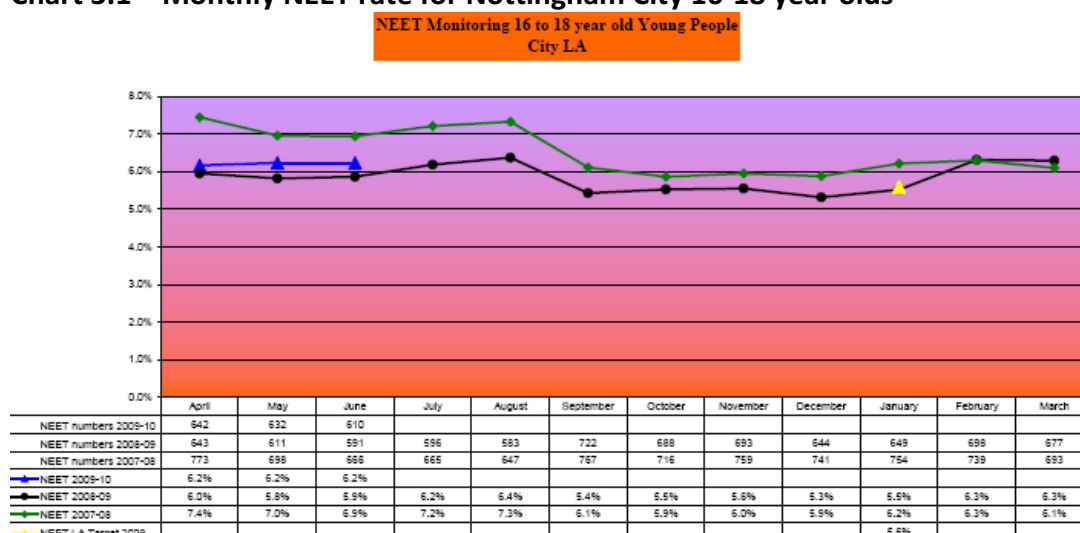
The trend in Nottingham has been different to that seen in the wider employment sector. The percentage of young people aged 16-18 who are NEET has been successfully driven down over the last few years from over 9% in 2006/07 to 5.5% at the end of the 2008/09 year. This figure has risen slightly over the last couple of months to stand at 6.2% for June but this is interpreted as a seasonal trend at the end of the academic year rather than anything more long term. See Chart 3.1.

The current NEET figure of 6.2% is more than 1% better than the national rate of 7.3% and significantly better than all of the city's statistical neighbours. It is also

¹² Destinations of Higher Education Leavers Survey 2006/07; contained within 'Greater Nottingham Graduate Retention 2009' by Geoff Oxendale – Nottingham City Council

likely to be the first time for a number of years that the 16-18 year old NEET rate is on a par or even below the 18-24 year old claimant rate.

Chart 3.1 – Monthly NEET rate for Nottingham City 16-18 year olds¹³



As well as those young people who are NEET there is also a cohort amongst the 16-18 year olds called Not Known's. These are young people who Connexions has either not been able to contact to find out what destination they have gone on to post school, or those who refuse to participate in finding EET. It is assumed that a proportion of these will also be NEET but some may be in EET or some may even have left the authority to be living elsewhere. Currently there are another 5.6% of the 16-18 cohort who are Not Known, this figure has also reduced significantly in the city over the last few years and is not showing signs of increasing in the current economic climate.

However, as with the claimant rates for 18-24 year olds the overall NEET percentages may somewhat mask the true extent of economic inactivity amongst 16-18 year olds. The DCSF base the calculation on area of learning rather than residency. This means that because of the geographical boundaries of Nottingham there are a couple of thousand young people coming into the city each day from the surrounding areas to attend learning. These young people coming into the city to attend college enlarge the group who are in EET therefore enlarging the cohort used in the calculation of NEET.

When looking at NEET based on residency, rather than area of learning, the percentage of NEET or Not Known young people increases by a couple of percentage points. This can be seen in Table 3.1 where the actual number of young people NEET is the same as in Chart 3.1 at around 610, but the percentage is 8.9 rather than 6.2.

¹³ Connexions NCCIS data

Table 3.1 – 16-18 NEET, Not Known, EET and Other by ward

Ward	NEET		Not Known		EET		Other		Total
	No.	%	No.	%	No.	%	No.	%	
Arboretum	30	13.8	19	7.9	187	78.2	<5	0.8	239
Aspley	76	13	74	11.2	509	77.1	<5	0.2	660
Basford	33	7.8	30	6.6	390	85.7	<5	0.4	455
Berridge	41	10.3	21	5	356	85	<5	0.2	419
Bestwood	56	12	36	7.2	409	81.3	<5	0.4	503
Bilborough	43	8.6	46	8.4	458	83.7	0		547
Bridge	24	9.6	25	9	227	81.7	<5	0.7	278
Bulwell	39	8.5	49	9.6	422	82.6	<5	0.2	511
Bulwell Forest	20	5.1	19	4.6	372	90.5	0		411
Clifton North	8	2.6	22	6.7	296	90.8	0		326
Clifton South	37	9.4	41	9.4	358	81.9	<5	0.2	437
Dales	48	12.1	35	8.1	350	80.6	<5	0.2	434
Dunkirk & Lenton	10	12.3	5	5.8	71	82.6	0		86
Leen Valley	12	4.3	16	5.4	268	90.2	<5	0.3	297
Mapperley	36	12.1	18	5.6	261	81.8	<5	1.3	319
Radford & Park	12	6.9	15	7.9	163	85.3	<5	0.5	191
Sherwood	20	6.6	27	8.1	285	85.6	<5	0.3	333
St. Ann's	42	11.1	28	6.9	335	82.5	<5	0.2	406
Unknown Ward	14	23.3	42	32.3	46	35.4	28	21.5	130
Wollaton East & Lenton Abbey	5	6.3	7	8	75	85.2	<5	1.1	88
Wollaton West	<5	0.8	18	4.5	378	94.7	0		399
Nottingham Total	609	8.9	593	7.9	6216	83.2	50	0.7	7469

Data Source: Connexions NCCIS - REF: PM0024, run date 10/08/2009

The 5 wards in the city with the highest levels of NEET and Not Known combined are Aspley, Arboretum, Dales, Bestwood and Clifton South.

Policy framework for combating 16-18 year old NEET

Connexions, LSC, Job Centre Plus and all post 16 work based and learning providers seek to give young people a range of options upon leaving school. These can be within the Further Education colleges, school sixth forms, work based learning providers offering apprenticeships or Entry to Employment programmes, or full time employment.

The September Guarantee is an offer, by the end of September, of a place in learning (for all young people who want one) and who left school in 2008 and 2009. Nottingham met the Guarantee offer last year and it is anticipated that it will be met again this year.

It could be anticipated that with the economic downturn it will become more difficult to persuade employers to take on apprentices or provide work based placements for E2E programmes if they are also laying off other staff. However, there is currently no evidence for this and the government and city council are making funds available to broaden the number and range of apprenticeships over the next year or two.

Even if the work based learning and apprenticeships sector becomes squeezed due to the economic climate it is anticipated that the further education sector will be

able to accommodate those extra young people who might otherwise have gone elsewhere.

Within Nottingham City 89% of all 2008 year 11 school leavers entered EET with 76.7% going to either Further Education Colleges or School Sixth Forms. The remaining 12.3% took up apprenticeships, E2E or employment.¹⁴

This coming academic year there are 3 new academies within Nottingham opening. Each academy will have a sixth form and this will increase the post 16 capacity within the city over the next decade by around 670 places. The increase will see the number of places rise from around 1,620 to 2,260, a 40% increase in provision.¹⁵

On top of this increase in sixth forms the number of places within Further Education Colleges in the city is set to increase slightly to 11,505 places. Whilst 16-18 recruitment in Nottingham FE colleges has been strong during the last few years this may be affected over the medium term by the combined impact of extra sixth form places and a reducing cohort size.

From April 2010 the Learning & Skills Council will cease to exist and responsibility for commissioning 16-19 provision in the FE sector will transfer to the local authority by way of a jointly owned company with Nottinghamshire County Council.

The data for this coming year's applications and participation in post 16 education has yet to come out so it is too early to say whether the economic climate may be affecting people's choices. If there are less employment opportunities for young people then they may be more likely to go onto further education, particularly as there is the Education Maintenance Allowance to support those whose families have low levels of income. Although a lack of part time employment may make it more difficult for young people to support themselves through Further Education.

As has been mentioned the overwhelming majority of Nottingham's young people already go on to Further Education and there is likely to be enough slack in the system to cope with an increase in demand. The big risk for the new commissioning company may not be over demand but making sure that the provision provides young people with courses that they want to do and that are going to be relevant for the future jobs market i.e. courses that give them a high level of skills and are in employment sectors where there is high demand for those skills.

By 2013, when Experian predict that Nottingham's unemployment rate will still be near its peak, the compulsory leaving age for participation in education or training will also be raised to 17. This will obviously have a large impact on the NEET figures as there will now be a legal requirement for young people to be engaged in some form of education or training. This requirement will be extended to 18 year olds by 2015.

¹⁴ Connexions NCCIS – November 2008 destinations of Year 11 school leavers; REF: ME0011

¹⁵ Post 16 Capacities - School Organisation, Children's Services

The challenge for the city over the next few years appears to be less about the quantity of provision needed to meet demand, and more about ensuring that the quality of provision is appropriate. Young people need to be able to access courses that are suitable for their skill levels upon leaving school to ensure that they stay engaged, and they also need to be learning skills that will ensure they can progress positively to their chosen destination once they turn 18.

The biggest losers in a recession tend to be the low skilled and less educated members of society, who lose their jobs first and find it toughest to get back into the labour market as there becomes increased competition for fewer vacancies. It is therefore vital that in these times young people are equipped with as high a level of skills and qualifications as possible to give themselves the best chance of finding work.

Nottingham's response to NEET and partnership working

A Citywide NEET Reduction Strategy Group (CWNRSRG) has been active for 2 years, chaired by Connexions and comprises of partners from FE, City Council, Training Providers and the Voluntary Sector who provide post -16 opportunities in Nottingham City. This group takes the lead on accessing money to enable funding of specific projects and posts to aid NEET reduction and reports into the Children's Services governance structure.

There are Information Sharing Agreements in place between Connexions (CNX) and all 6th forms/colleges and Work Based Learning (WBL) providers ensuring that CNX are notified when a young person is offered a place or is at risk of leaving.

The Employment and Skills Board engages a range of partners – FE Colleges, City Council, County Council, Connexions, Learning & Skills Council (LSC), Employers and WBL Providers - to provide training and jobs for young people in a variety of vocational areas. In particular it has championed apprenticeships in the construction industry and retail training.

Job Centre Plus (JC+), LSC, Connexions and Guideline (regional deliverer of Nextstep) continue to work closely particularly on the Integrated Employment and Skills Board.

CWNRSRG has successfully bid for £880k to the European Social Fund (ESF) to enable partners to deliver specialist Entry to Employment (E2E) programmes. There is also a team of 3.5 NEET specialist Personal Advisors who are employed by Connexions enabling long term NEET young people to be supported into a positive outcome. This has created 292 additional E2E places.

Connexions is using £338k from Working Neighbourhood Fund to provide a specialist 40 place post 16 programme for Refugee and Asylum Seeker young people (Integr8), and to support 2 specialist Refugee and Asylum Seeker Personal Advisors to enable young people to be supported in the specialist provision before entering mainstream

opportunities. The programme is proving to be very successful with 83% of young people progressing into mainstream provision.

Working Neighbourhood Fund will also be used to fund the Voluntary and Community Sector (VCS) to assist in contacting young people who are long term Not Known.

Innovative programmes recently introduced include:

The Unity Academy, an extension of the highly regarded Unity Football Project, which aims to engage young people from the gang-related areas of Nottingham in a learning programme at South Nottingham College

Young mothers taster courses which cover non traditional vocational areas offered by New College Nottingham.

4. Wider impacts of the recession on young people (under 16's)

Although the recession will have an immediate impact on those young people who are just entering the jobs market by limiting the opportunities for work, there will also be a large secondary impact on children and young people through their parents. These impacts will also have an impact on service provision and will necessitate a change in focus from providers and policy makers. Some of these are discussed below.

Child Poverty Rates

The government is legislating to introduce a child poverty bill this year which will seek to enshrine into law it's commitment to eradicate child poverty (reduce to 10%) by 2020.

The latest Child Poverty figures for Nottingham City¹⁶ showed that there were 64% of children living in poverty. There were 33.7% of children living in Workless households (a total of 20,200 children) and 30.4% living in Low Income households (a total of 18,230 children). The figures for Workless include wider benefits claimants than just JSA; they also include Incapacity Benefit, Sever Disablement Allowance, Disability Living Allowance and Income support.

The numbers are stark, and even more so as they also relate to the 2006-07 Child and Working Tax Credit Statistics from HM Revenues and Customs (HMRC). The effects of the current recession will take a while to feed through into these figures. It is worth noting that the average number of JSA claimants between April 06 and March 07 was 8,025 whereas the average number in the last 12 months from July 08 to June 09 was 9,766. Obviously not all of these people will have dependent children but many of them will, and there will also be a number of people who have seen

¹⁶ Child Poverty in Nottingham, Update to the City Strategy Report April 2009 – Nikki Kirk, Nottingham City Council

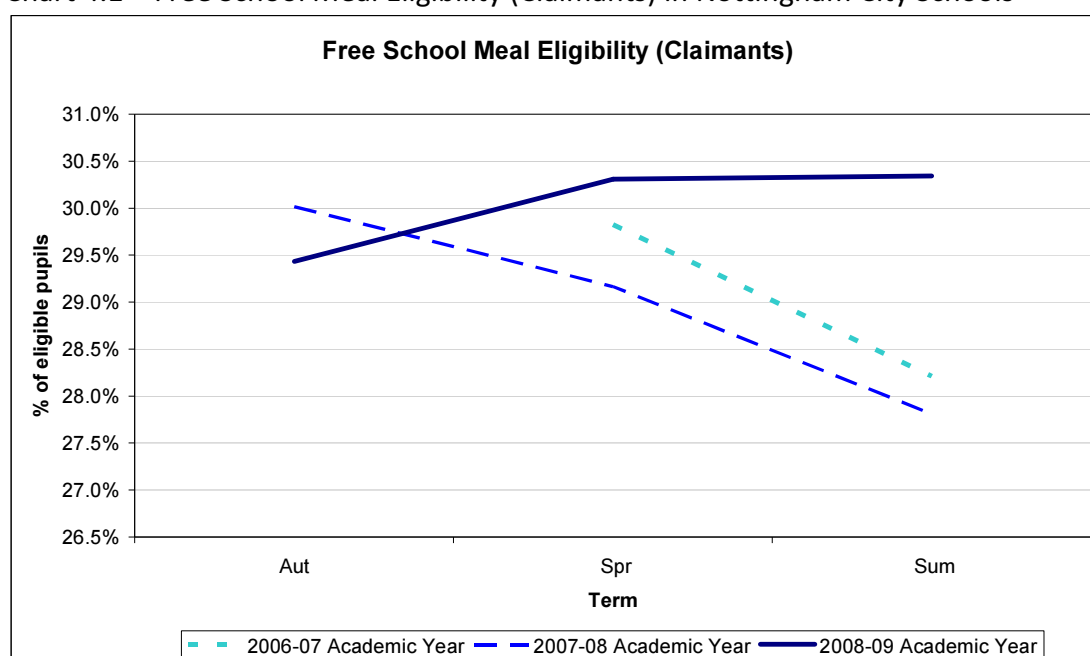
their incomes fall or who are now working part time or reduced hours who will fall into the Low Income category.

Increase in Free School Meal Eligibility

Rising levels of parental unemployment and lower income levels will lead to an increase in the number of children who are eligible for Free School Meals. Work has already been taking place in schools to increase uptake of Free School Meals amongst those who may be eligible but not taking them. This work has been part of the Economic Resilience workstream and the 'We're on your side' campaign.

It has been seen this academic year that Free School Meal percentages have risen, and risen through the three terms of the academic year. In the previous two years the rate of Free School Meals has been highest in the Autumn Term but fallen in each of the Spring and Summer Terms, see Chart 4.1.

Chart 4.1 – Free School Meal Eligibility (Claimants) in Nottingham City Schools¹⁷



At this time it is difficult to say with certainty whether the rise in rates throughout the last year is wholly due to rising unemployment. This rise in rates throughout the year could in part be due to a change in admissions policy, as in previous years the intakes of the rising five year olds may have affected the percentage. The rise could also in part be due to the city council campaign to increase uptake amongst those who are eligible. The Free School Meal rate will have to be monitored over a longer period to determine this; however it is likely to rise as long as unemployment levels continue to.

Early Years, Childcare, Children's Centres and Extended Schools

¹⁷ School Census data as recorded in ONE. Based on pupils of Compulsory School Age, and pupils below school age attending full-time

Demand for childcare is likely to be an area where demand will fall. Rising unemployment will mean that more parents are at home during the day, and with lower incomes and more part time work there is likely to be fewer parents needing, or able to afford, full time childcare.

Some childcare providers in areas with declining demand may struggle to carry on as a going concern if numbers drop dramatically.

It is likely that demand for some Extended Schools services may also decline if parents are more likely to be at home and cannot afford to pay for after school services or breakfast clubs.

Within Children's Centre however there may be an increase in both attendances and demand for services. Health Services delivered from centres, case holding work by centre workers, volunteering and learning courses may all see increases in demand. Welfare Rights advice and Job Centre Plus interviews delivered from Children's Centres may also become busier. The Child Poverty Pilot that is currently running in three Children's Centres looks particularly timely and initial indications are showing that it is proving popular and successful.

Social Services and welfare

In times of higher unemployment and lower incomes there will undoubtedly be greater pressures placed on the family unit as more families struggle just to survive. These pressures could well lead to higher incidents of such things as mental health issues or drug and alcohol usage; primarily amongst parents but these may also become more evident amongst children. This could lead to higher number of child carers who may be caring for parents or siblings. There may also be higher levels of prostitution within the city as people become desperate for income.

Increased stress and financial difficulties could exacerbate family difficulties and there could be increased levels of domestic violence. Research suggests that couples are more likely to split up during a recession.¹⁸

The increased stress and financial insecurity will lead to extra pressure within the welfare and safeguarding services that have a direct role in supporting families. Welfare Rights advice is likely to be sought out more and there will also be an increased demand on council housing, housing benefit and homelessness support.

Increased pressure on Social Services is becoming evident; the model used to inform the Medium Term Financial Plan was based on 480 Looked After Children. The number of Looked After Children stood at just over 500 in July leading to increased strain on placements budgets. The number of children subject to a Child Protection Plan is also increasing and currently stands at 460; this is almost 50 children higher than in March this year. The rise in these areas is likely to be a combination of

¹⁸ Office of National Statistics, divorce rates

increasing family pressures as well as the impact of the Baby P case on safeguarding practices.

Schooling

Permanent exclusions rose nationally from 2,910 in the 1990/91 year to 12,700 by 1996/97, it has subsequently fallen to 8,130 during 2007/08.¹⁹ There is no evidence that this dramatic rise was due to the economic downturn in the early 1990's, and it may have been more to do with government and schools policy. However, greater problems and stress at home may manifest itself as poorer behaviour at school, and schools may have to take changed family circumstances into consideration in more cases.

Higher levels of family stress may also manifest itself in increased absence from school, although no statistics going back to the last recession can be located to support or de-bunk this. Currently within the city absence levels in primary schools are rising whereas absence in secondary schools is declining.

National GCSE results dating back to 1988/89²⁰ show that there was no significant impact on results for those pupils achieving 5+ A*-C. There has continued to be a steady year on year increase in rates every year from 1988/89 to 2007/08. However the percentage of pupils leaving school with no passes at GCSE did see increases in 1991/92 and for two years between 1993 and 1995. Although purely speculation it may be that those pupils who are already at risk of poor educational outcomes may also be more susceptible to the effects of an economic downturn.

It has been hypothesised that there will be a declining number of children attending independent schools, which will add pressure to the rolls of those schools maintained by the state. So far there has been no evidence of this in Nottingham City with both primary and secondary school rolls declining slowly for a number of years. The number of pupils in independent schools in the city has also remained steady at around 3,300 for the last four years.²¹

Crime

A leaked Home Office memo last year stated that a slowdown "would place significant upward pressure on acquisitive crime [theft, robbery and burglary] and therefore overall crime figures". Police recorded crime figures nationally are starting to show an increase in acquisitive crime although overall crime levels are still falling.

Targeted youth work and crime prevention will become more important to divert young people away from anti social behaviour and crime and give them access to things to do which they enjoy and are cheap/free. Lack of disposable income amongst families may lead to fewer being able to afford to do things at weekends

¹⁹ DCSF SFR18_2009 Permanent and fixed period exclusions from schools in England 2007/08. Office of National Statistics data.

²⁰ www.dcsf.gov.uk/trends

²¹ DCSF SFR – Schools, pupils and their characteristics 2009, 2008, 2007 and 2006. Data taken from the January school census.

such as cinema, bowling etc. A lack of accessible and affordable entertainment may lead to more hanging around on the streets and causing low level trouble making to stave off boredom.

Currently within Nottingham there appears to be no increase in Youth Crime, with a sustained fall in the number of First Time Entrants to the Youth Justice System over the last few years. There has also been an improvement in the Recidivism rate.

Health

Lower levels of income will impact on families spending habits and affect their lifestyles. There are already high levels of health inequalities within the city with the more deprived areas and citizens having significantly poorer outcomes across a range of factors. Lower income will inevitably mean families shopping at cheaper food stores and will mean more frozen and packaged food bought at the expense of fresh fruit and vegetables.

Areas of the city that are already fresh food deserts will continue to be and those that were borderline may be pushed further towards that as demand for fresh food decreases.

As families cut back, a decline of spending on leisure activities may also impact on children's health. Lower attendances at leisure centres and sports clubs for example, coupled with poorer eating habits, could impact on levels of obesity amongst children and adults. While families face a struggle to just make ends meet, healthy lifestyles may be forced to take a back seat and will fall lower down their priority list.

In order to combat this the summer holiday promotion within city leisure centres for free or cheap activities as part of the 'We're on your side' workstream has proved particularly successful with high attendances.

If there is an increase in drug and alcohol use within the city then this could impact on rates of low birth-weight and infant mortality within the city.

There could be opportunities for such things as promoting smoking cessation by focussing on the impact it would have on your economic health (smoking 20 a day now costs £6 per pack, £42 a week) rather than physical health.

There may be a higher demand on Health Visitors, with a higher caseload of more complex cases. Inter-agency working with the likes of Social Care and Children's Centre staff will become more important as Health Visitors are often the first staff to enter a family home and assess need and conditions. Health Visitors may need to be given more support to ask difficult questions if they feel something is wrong, and licence to pass those concerns to other agencies.

3rd Sector

A national report published in November 2008 showed the results of a survey of 362 charities. The survey, *Managing in a Downturn (MiD)*²², reveals that charities were already seeing a slump in income (a trend likely to continue) and are experiencing soaring costs - at a time when demand for services is rocketing. The estimated total hit for the sector is around £2.3bn.

Nationally one in five charities reports that direct debits are being cancelled, and that the value (potentially by 10%) of legacies and bequests is falling.

A group of 27 charities lost £50m in the Icelandic banks and it is estimated that the UK voluntary sector could have potentially lost around £250m²³.

On top of this £620m in lottery funding is being diverted from the voluntary sector to the Olympics over the next 4 years.

Statutory spending from the public sector accounts for nearly half of all 3rd sector funding; this too is likely to decline in the coming years particularly in light of the current state of public borrowing. The full impact on the 3rd sector of the reigning in of public sector spending may not be fully felt until 2011. Local government faces a £4.9bn savings target, and the NHS faces big savings through the public value and operational efficiency savings programmes.

The council may be able to do a number of things to help the 3rd sector through the downturn. The first is to start issuing longer contracts of 3 years; in order to do this, things like the Area Based grant will have to be agreed with departments for 3 years as well, or at least a proportion of it. It would also be helpful for the council to have a common commissioning process for all departments to make it easier for the 3rd sector. There could also be more working with the 3rd sector to identify funding streams that they could bid for, and help with infrastructure costs.

²² *Managing in a Downturn*: Institute of Fundraising, Charity Finance Directors Group & PriceWaterHouseCoopers, November 2008

²³ Guardian newspaper