

Tackling Youth Unemployment in Leeds City Region

Young Talent: Head Start

5th September 2013

Leeds City Region Partnership – Outline Proposal

Executive Summary

The Leeds City Region ambition is to reduce youth unemployment to become 'NEET-free'. We have made a promising start in our City Deal with a focus on delivering the devolved Youth Contract Support to 16-17 year olds and Apprenticeships to SMEs.

Our next challenge is to tackle the cohort of 23,350 unemployed 18-24 year olds, in particular the persistently high group of circa 10,000 with over 6 months on Jobseekers Allowance (JSA).

Our economy is starting to grow again and generate jobs from a diverse range of sectors, including entry level jobs in retail, hospitality, logistics, manufacturing, finance and business services. Those young people fresh into the labour market and with higher level qualifications will find it much easier to find work than their predecessors.

This proposal is geared to provide a head start to those young people who have been languishing on benefit, without the opportunities to gain work experience in a tough labour market of four jobseekers to every vacancy, where more people with better skills, qualifications and a track record of proven work ethic are beating them to the available jobs.

We will offer at least 2000 young people extra support as they reach 6 months on JSA and again if they have not found work after two years on the Work Programme, with a more supported work experience programme designed to address their more complex issues.

Our intention is to strengthen the existing Youth Contract Wage Incentive offer, with a package of 'wraparound' support for the individual and the employer, and to invest in a range of employer engagement strategies, both 'tried and tested' awareness-raising as well as innovative partnerships with recruitment agencies, Young Ambassadors and social media. DWP reports increasing interest in the Wage Incentive locally, so we expect many more employers to take advantage of the offer.

We already have a number of local and national programmes with over £19m investment designed to boost the employability chances of young people running in seven of our urban areas, so we will align this underspend to those existing programme to extend and enhance their effectiveness.

Our partners in Local Authorities, DWP, third sector and IAG providers have a proven track record of delivery, having achieved 56% conversion rates already in the early stages of delivering the Devolved Youth Contract to 16-17 year olds. We have learnt the value of a flexible, wraparound model focused on matching the capabilities of the individual with the real job market, identifying & addressing basic skills needs and ensuring that motivation is maintained when the inevitable obstacles occur.

We pledge our total commitment to making effective use of this underspend to accelerate the growth of our economy by tapping into the immense potential of our young talent before it goes to waste. It will enable 1175 job outcomes to be created, and with a further 1345 jobs coming from our local programmes, we can enable over 2500 18-24 year olds to start work at good value for money.

Looking to the future, this programme will give our LEP a flying start to take advantage of the EU and Local Growth funding strategies taking shape, connecting future growth to local young people by means of real work experience so essential to compete for the jobs flowing from new investment.

1. Evidence and Understanding of Youth Unemployment in Leeds City Region

Introduction: Our Challenge

Youth unemployment is a major challenge facing the Leeds City Region, with over 23,000 18-24 year olds claiming Jobseekers Allowance, of which 10,000 have been on benefit for over six months.

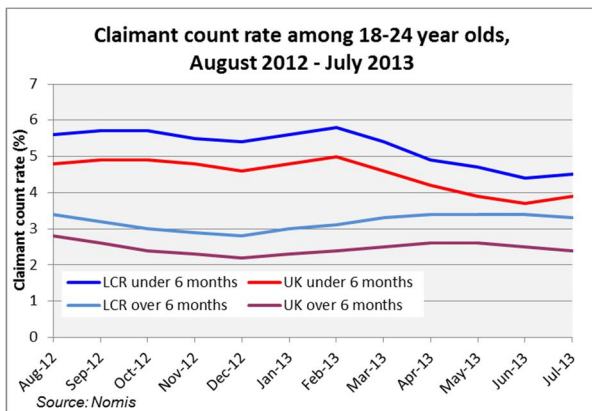
Whilst the economic recovery has begun to show a positive impact on the more recently unemployed young people, with a steady fall of over 3000 since last year, the 6 months + group remains persistently high and is therefore our focus for this proposal.

Our experience of the local labour market suggests that this group's key problem has been the lack of entry level jobs available during the recession. Whilst access to training, FE and higher education has been available, the main barrier has been the four to one ratio of jobseekers to vacancies, leaving inexperienced young people at the back of the queue behind better qualified, more experienced workers.

This ratio is the fourth worst of all our core city areas, behind only the North East, Liverpool and Sheffield (see chart on p.6). We must therefore use this underspend opportunity wisely to boost job creation in our Northern economy, to build on emerging business confidence to begin hiring again and avoid a costly social legacy in the future.

Our detailed analysis of the evidence and trends in our youth labour market is set out below.

Trends in youth unemployment in LCR



Youth unemployment rate, 16-24 year olds

	LCR	United Kingdom
Apr 2011-Mar 2012	24.1	21.2
Jul 2011-Jun 2012	24.7	21.3
Oct 2011-Sep 2012	23.5	21.0
Apr 2012-Mar 2013	22.8	21.0

Total youth unemployment has been declining steadily in Leeds City Region (LCR), over the past year, with the rate in LCR falling faster than the national average. At the same time, many areas within Leeds City Region have seen the number of young people claiming JSA for over six months fall. For the City Region as a whole, there are 3% fewer claimants of six months or more in July 2013 compared to August 2012.

However, this year-on-year progress masks the fact that the progress made in late 2012 has largely

been eradicated as the rate has increased again in the first half of 2013. The rate of unemployment in this cohort remains consistently higher than the UK average and is not declining as quickly as among those claiming for less than six months.

Claimants over 6 months aged 18-24, August 2012 to July 2013

Area	August 2012	July 2013	Change since August 2012
Barnsley	1,150	955	-17%
Bradford	2,310	2,315	0%
Calderdale	745	745	0%
Craven	60	40	-33%
Harrogate	105	50	-52%
Kirklees	1,485	1,615	9%
Leeds	2,740	2,720	-1%
Selby	160	95	-41%
Wakefield	1,150	1,090	-5%
York	255	170	-33%
Leeds City Region	10,150	9,810	-3%

Key:	
High priority hotspots showing least improvement	
Medium priority	

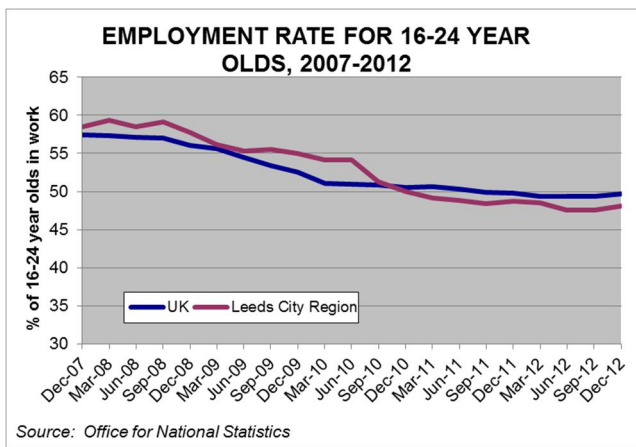
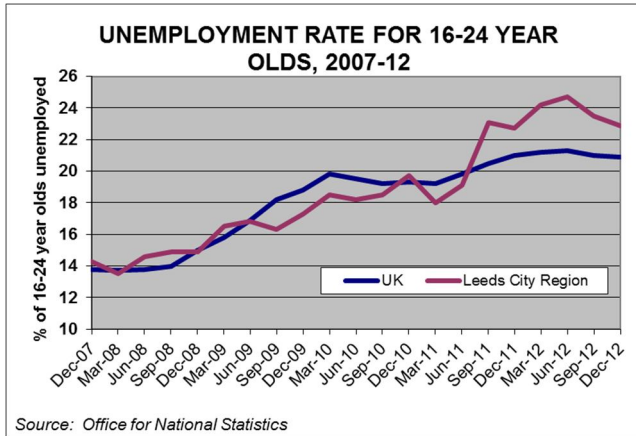
Source: NOMIS

As the below table shows, the fall in the overall number of claimants aged 18-24 has been much greater than the fall in the number claiming for over six months. This suggests that a greater focus is needed on supporting these longer term claimants. The claimant rate among 18-24 year olds remains higher than in the population as a whole, and whilst progress has been made in closing the gap between youth unemployment and total unemployment, there remains a need to provide greater support to young people struggling to enter the jobs market.

JSA Claimants in LCR, July 2013

	Male			Female			Total		
	Number	Rate	Change in 12 months	Number	Rate	Change in 12 months	Number	Rate	Change in 12 months
All claimants aged 18-24	15,135	8.2%	-14.0%	8,215	4.4%	-12.9%	23,350	6.3%	-13.6%
Aged 18-24 claiming for over 6 months	6,480	3.5%	-5.6%	3,330	1.8%	1.4%	9,810	2.6%	-3.3%
All claimants	54,170	5.7%	-8.2%	28,380	3.0%	-4.6%	82,550	4.3%	-7.0%
All claimants claiming for over 6 months	28,715	3.0%	-1.5%	14,010	1.5%	11.4%	42,725	2.2%	2.4%

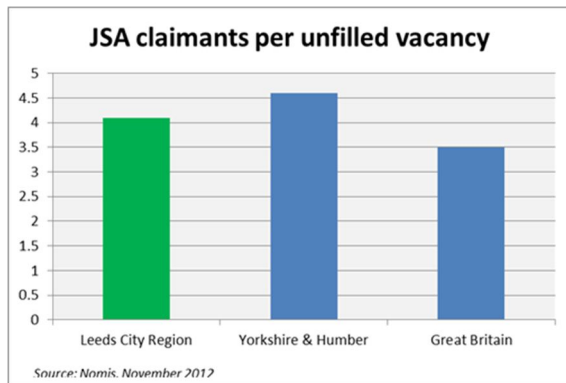
Source: NOMIS



The long term decline in employment for young people has worsened notably compared to national trend-lines in Leeds City Region over the last three years, so there is a strong case to redress this trend with targeted job incentive measures to bring Leeds City Region back into line with national averages.

LCR Labour Market

The local jobs market is highly competitive, with a higher number of JSA claimants for each vacancy in Leeds City Region than in the country as a whole. There are 4.1 JSA claimants for every vacancy advertised through Jobcentre Plus in LCR, compared to 3.5 claimants per vacancy in Great Britain. Addressing this gap would provide greater opportunity for young people to enter employment for the first time.



LCR has the 4th highest ratio, behind the North East, Liverpool and Sheffield.

Area	JSA claimants per unfilled vacancy
Greater Birmingham	3.6
D2N2	3
Leeds City Region	4.1
Greater Manchester	3.8
Liverpool CR	5.5
North Eastern	6
West of England	2
Sheffield CR	4.3
Great Britain	3.5

NEETs – 16 to 19 year olds not in employment, education or training

As part of the City Deal with central government, the city region has set itself an ambition to drive down the NEETs rate over the medium term. A great deal of work is underway to help us achieve this, and progress is being made with the LCR NEET rate falling faster than the English average. For reasons of brevity, this work is not covered in detail here but further information is available in the annex to this report.

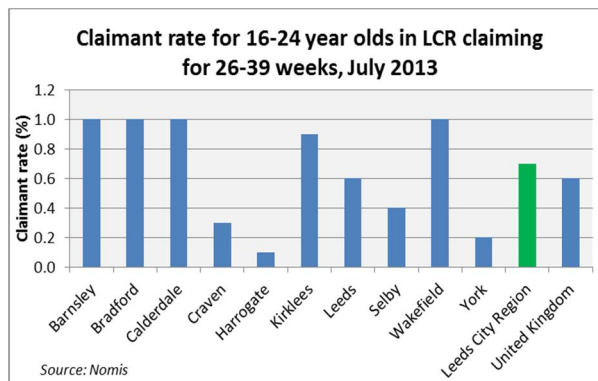
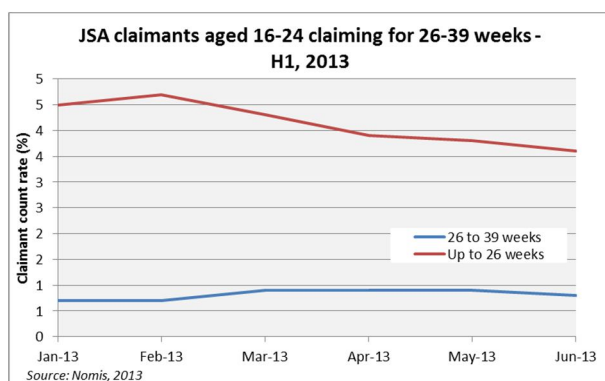
NEETs in LCR, December 2012

Area	NEETs	Annual change
Leeds City Region	5.7%	-1.0%
Greater Manchester	6.2%	-0.7%
Yorkshire & Humber	6.2%	-0.9%
England	5.8%	-0.3%

Source: Department for Education, 2013

Key Target Groups: 18-24 JSA Claimants Unemployed between 6 - 9 Months

There has been a decrease in the number of young people claiming Jobseekers Allowance for less than 6 months, but as the chart below shows, this trend does not continue into the cohort who have been claiming for 26-39 weeks. Indeed, there has been little change in the claimant count for this group who have claimed for more than six months but are yet to be referred to the Work Programme. The proportion of 16-24 year olds who fall into this category varies between the different local authorities within LCR, with the rate highest in Barnsley, Bradford, Calderdale and Wakefield. The LCR rate (0.7%) is slightly higher than the rate for the UK as a whole (0.6%).



We have identified a potential “window” in which to target specific support in order to prevent long term unemployment within this cohort. At the 26 week stage of unemployment there is still a further 13 weeks before the young person is referred to the intensive support of the Work Programme.

Nomis Data	26-39 weeks	% of total claimants aged 18-24 claiming for 26-39 wks	104-156 weeks	% of total claimants aged 18-24 claiming for 104-156 wks
<i>Total claimants aged 18-24 – July 2013</i>				
Barnsley	240	11%	170	8%
Bradford	615	11%	355	6%
Calderdale	210	12%	125	7%
Craven	15	14%	10	9%
Harrogate	15	7%	5	2%
Kirklees	460	13%	240	7%
Leeds	720	11%	430	7%
Selby	30	9%	20	6%
Wakefield	355	13%	165	6%
York	50	8%	30	5%
Leeds City Region	2,705	12%	1,545	7%

We have 2705 young people in this cohort (at August 2013) overall, along with a further 1545 in the 2 -3 years category, ie Work Programme returners.

Offering greater support to young people during this window will prevent them remaining out of work in the long term.

Claimant flows

There are significant numbers of claimants entering the over 26 week claimant group each month. On average, almost 1,100 claimants aged 18-24 entered this group each month in the year to July 2013. On top of this, there is an average of 159 Work Programme returners each month. As such, there will be a constant flow of young people entering this cohort eligible for this support each month. Support will be needed from Jobcentre Plus to identify those in the window of eligibility from 26 -39 weeks and at 104 weeks.

Average monthly flow over 26 week threshold in LCR, Aug 2012 – July 2013	Average monthly flow over 104 week threshold in LCR, Aug 2012 – July 2013
1098 per month	159 per month

Characteristics and Leading Indicators of Long Term Detachment

Colleagues in DWP confirm that the leading indicators of long-term detachment in young people from effective engagement with the labour market are a combination of the following factors: low or no qualifications; patterns of truancy and lack of commitment in school or other training programmes; fragmented periods of sporadic employment; often exacerbated by additional social issues including poor housing, drug dependency, health or crime.

Care leavers and those living in troubled families are particularly at risk, so we would wish to make appropriate linkages to local authority initiatives which focus on supporting these young people into a more stable pattern of working.

In such cases, there may be an argument for fast tracking vulnerable young people into the Head Start programme earlier than the proposed 26 week trigger, subject to case worker recommendation agreed between the local authority, DWP and other agencies.

2. Plans to Increase Take up of the Youth Contract Wage Incentive

Strategic Fit

The Youth Contract Wage Incentive (YCWI) is a very positive policy measure to address youth unemployment, which has been sadly underutilised by employers to date. Our estimates on local uptake in Leeds City Region based on national figures indicate that just over 1000 wage incentives have been claimed to date (official data is not available to us) from a potential market of over 106,000 employers.

Feedback from our partners in DWP suggests that awareness of the incentive is rising, and they are having increasing success in promoting the scheme to potential employers via the Job Centre Plus Business Engagement Team.

The Leeds City Region Partnership and LEP have been pursuing the ambition of a 'NEET-free' City Region, since the agreement of the City Deal with Government last July. This included powerful agreements to set up Apprenticeship Hubs, two new Apprenticeship Training Agencies, which are now operational and working with SMEs, and to set up a Skills Fund for SME employers to drive future growth, for which plans are well developed under the Employer Ownership Pilot.

The LEP's Skills Plan developed earlier this year prioritises 18-24 youth unemployment as one of its key challenges, indicating a need to target additional funding from the Local Growth Fund and new European Programme 2014-21 to tackle this properly. Our LEP has also launched the 'Five Three One Campaign', endorsed by the UKCES, to gain commitment from employers to supporting work experience, skills, Apprenticeships, mentoring and education-business links. To date, over 260 employers have pledged their support to the campaign and the ensuing actions have added circa £5m to the economy.

Several of the partner Local Authorities in Leeds City Region, including Bradford, Calderdale and Kirklees, have already introduced local schemes which generate new job opportunities for young residents. These include the Bradford Employment Opportunities Fund, the Kirklees Jobs Fund and the Calderdale ERDF Jobs Programme. These schemes all include a link to the YCWI and in some cases offer 'top-up' incentives to the employer, depending on the level of support needed to accommodate the young person in a working environment. The schemes are proving highly successful, with over 180 jobs created in Bradford since January 2013 and similar successes elsewhere.

All our partners advocate the value of both the employer incentive to create new jobs and the wraparound support needed to ensure that both the employer and the young person are fully supported with the particular challenges of integrating young, inexperienced people into a working environment successfully.

The previous experience of Local Authorities in this region in delivering supported job programmes was highly rated, with success rates of circa 60% job outcomes, and the lessons from this programme of having a combined incentive with sufficient in-work support are well embedded.

So, this opportunity to supplement the national YCWI and enhance it through increased employer awareness, by exploiting better alignment with LEP, Local Authority and local DWP programmes is very welcome and timely.

Strategic linkages to the European Structural and Investment Fund (ESIF) and Local Growth Fund (LGF) will be set out in Section Three.

Outline of Leeds City Region Proposals - *Young Talent: Head Start*

We have designed a local approach geared towards nearly doubling take up of the Youth Contract Wage Incentive by local employers within circa 18 months. Assuming a baseline of 1050 (estimated) we will add at least a further 900 wage incentives triggered from a programme supporting 2000 young people towards a new job.

The **Young Talent : Head Start** model aims to exploit both the new and existing jobs market. The strength of local partnerships is key to the success of the programmes and the support received in developing these proposals is testament to the strength of the partnership between Local Authorities, Jobcentre Plus and local delivery organisations.

Intensive 'Wraparound' Support

This will be achieved by the roll out of a programme which has a shared core of intensive assessment, employer matching, in-work support & mentoring, with strong transition and exit arrangements to ensure progression to positive outcomes. Two young people will be offered work placements to act as Project Ambassadors and promote the scheme to employers and young people, including via social media.

Local Authorities in each of the seven main urban centres with the highest concentrations of youth unemployment within the Leeds City Region Partnership will deliver the programme locally, with the opportunity to align closely with local initiatives and support services including the Apprenticeship Hubs and other job employability programmes. They are:

- Leeds
- Bradford
- Kirklees
- Wakefield
- Calderdale
- Barnsley
- York (also covering Selby)

The programme will have two routes, to account for the varying needs of the target groups (set out in section three). These are two distinct elements:

- 1.) Existing/growth jobs via local awareness raising to employers and a pilot to engage employment agencies working in partnership; and
- 2.) Newly created job opportunities for the hardest to place incentivised using additional wage subsidy and intensive support.

Both make effective use of the wage incentive and share the front-end process, maximising value for money and streamlining existing processes.

Route One: Existing/Growth Jobs

- Designed to give young people a **Head Start** into existing or newly created jobs arising from economic recovery, this route is for the more work ready 18-24 year olds within the six to nine month window of unemployment.
- Many of these young people lack work experience, have weak CVs and are still a risky choice for employers who have access to more experienced older workers, economic migrants and many better qualified recent graduates. This route is therefore designed to offset some of these risks and put in place a structured support framework to enable the young person to be effectively tried out and given the chance to prove themselves capable.
- Local authority led employer engagement activity will increase the number of employers aware of the Wage Incentive and will design the support package necessary to select the right type of young people for the vacancies available. We have seen success in linking the Sector Skills Academy model, which can provide dedicated sector employability training, with the Selection Week approach (see further detail in Section 3).
- We envisage opportunities will be most forthcoming from the following sectors which have growing numbers of entry level jobs: retail (from investments in Leeds Trinity, John Lewis, Morrisons & Asda HQs) ; finance & business services (including major banking & call centres for RBS, First Direct, Yorkshire Bank, Yorkshire BS, Skipton BS); hospitality and tourism(including Leeds Arena, York, Tour de France Grand Depart); manufacturing (expansion in food & drink production e.g. Coca Cola and many engineering supply chains suffering shortages); logistics (warehousing expansion linked to growth of online retailing e.g. ASOS, Next, Buy it Direct, Mamas & Papas, Poundstretcher); health & social care (with an ageing population and major teaching hospitals) as well as the collective growth potential of our 100,000+ SMEs.
- One innovative element of this is a pilot partnership approach designed to make best use of the wage incentive, promoting it to employment agencies within the region to encourage employers with existing vacancies to consider young people more willingly. By appointing a Project Manager to develop partnerships with employment agencies, the relationship can be formalised and processes developed to support businesses to access the talent of young people looking for work in the region. Blue Arrow have already successfully adopted the Wage Incentive into their business model and we would hope to replicate this amongst other agencies across the city region.
- The wrap-around support of the overall model will ensure the participant is work-ready and has the additional support of a paid travel card for the first month of their job.
- This model will support companies to employ a young person who has the in-work support

of this pilot and potential for funding from such as the Adult Skills Budget & ESF to fund specific training delivered by local colleges and providers. Where this cannot fund the employer's specific requirement, we will allocate up to £500 for approximately 50% of employers to source the necessary training directly.

- To offset the extra supervision and management time required to ensure the young person is properly inducted and that any misunderstandings are resolved quickly, the project will offer up to £725 towards the employer's staff time over the first six weeks of the settling in period, which will enable a more hands-on coaching role or 'work buddy' to be put in place by the supervisor.
- The wage incentive will then be triggered at the six month point by at least 600 employers (or agencies if they act as employer) who will be encouraged to convert the role into a permanent job for the incumbent. We expect 40% of participants to be still with the company at this stage, with a further 15% progressed onto other jobs or positive outcomes with a strengthened CV and a work reference. This would total at least 825 jobs/positive outcomes from a cohort of 1500 participants in this route.

Route Two: Supported New Jobs

- The New Jobs Route will create six months paid work experience for the hardest to place young people in the 18-24 cohort who have been unemployed for over six months, with priority to those over two years unemployed who are returning from the Work Programme. Working in partnership with Jobcentre Plus referrals will be identified and referred to maximise the opportunity for the individual.
- Opportunities will be identified using existing routes in conjunction with additional business engagement activity carried out in local areas. For example the regional five three one campaign provides opportunities within local businesses which could be accessed by young people eligible for this scheme.
- The offer provides for six months wage subsidy for those businesses wishing to employ a young person and expects companies to demonstrate their commitment by making a contribution of at least £3000 to the wage costs (approx 50%).
- The businesses will be supported to apply for the Youth Contract Wage Incentive which can be drawn down to offset most, but not all, of the employer contribution. Companies will be encouraged to provide sustained employment and the option of taking the candidate on as an Apprentice will be discussed if appropriate/achievable.
- The In-work support officers/mentors (employed by the local authority or a partner agency) will support participants whilst they are on the programme. The level of support provided will be tailored to meet the needs of the employer and employee; however there will be a minimum core offer of monthly review meetings in place, interspersed with telephone, email and text contact.

- Towards the completion of the six month placement, the intensity of support will increase with a focus on the transitional arrangements for the employer and potential employee, with a focus on becoming a permanent employee, or where that is not possible, increasing job search and interview opportunities for other vacancies which build on the experience gained. This 'exit' support will be designed to secure a positive outcome for the young person wither with the same employer or with another in a related field, where the stronger CV and reference gained will give the young person a **Head Start** to compete with other applicants.
- We expect 60% of participants to be still with the company at this stage, with a further 10% progressed onto other jobs or positive outcomes. This would total at least 350 jobs/positive outcomes from a cohort of 500 participants in this route.

Roles and Responsibilities of Key Partners

The range of interventions currently available provides a solid platform for the Leeds City Region partners to build upon. This additional investment will help to align existing and planned provision in such a way as to create a viable and 'seamless' pathway to sustained employment opportunities for more young people and at a faster pace.

We have built this model to make best use of existing local services and programmes and to link in with other programmes without overlapping and detracting from them. The 26 – 39 week window is targeted to address the rising number in this cohort without overlapping with the Work Programme provision which is triggered at 39 weeks for this age group.

A complementary Big Lottery Talent Match programme is also in development for 2014, which will target on 'unknown NEET's and the hardest to help of the very long term unemployed, so we are taking care not to overlap with or duplicate this resource, which will be delivered primarily through voluntary and community outreach channels.

The key roles of partners will be as follows:

DWP

We are working closely with DWP colleagues at a local and regional level who will identify and refer individuals in the target group. DWP have already stimulated an increase in Youth Contract Wage Incentive take up locally through a focused effort with employers, so we want to build on this momentum, as it shows that extra resources will pay dividends in making more employers aware of the offer.

Jobcentre Plus will also play a key role in referring the individual into the programme at the 26 week stage to provide a 13 week window within which to identify and address any training requirements and prepare them for the world of work- either existing jobs or new jobs available as paid work experience initially. JCP staff already undertake detailed assessment of customer needs throughout their early months on JSA and will already have a picture of their strengths, challenges and overall

job readiness.

This assessment will need to be communicated to programme staff as young people are referred into the programme, along with recommendations for which route they would most benefit from.

Jobcentre Plus staff will also refer Work Programme returners onto the programme, where they believe they can benefit from the Supported Jobs Route. In these cases, the individual's history on the Work Programme will need to be taken fully into account.

Local Authorities

Local Authorities are the lead partners within the LEP for the delivery of solutions to address local unemployment, so we will build on their infrastructure to maximise this additional investment and ensure that we reach the employers and individuals in most need. Each authority has a dedicated Employment & Skills Team with the capacity to deliver or contract additional support for this programme. This typically takes the form of employer engagement activities and the commissioning or delivery of local employability support or 'Job Shop' type measures. Some authorities have already set up employment incentive schemes for local employers, with early success.

Authorities also lead on provision for care leavers and troubled families, giving them a strong insight into the 'at risk' young people most vulnerable to falling into long term unemployment.

Operational relationships with Jobcentres are strong, with well developed referral routes and co-operation on local initiatives.

Local authorities also deliver the Apprenticeship Hubs and are joint partners in the Apprentice Training Agencies (jointly with colleges) set up as part of the City Deal to stimulate greater take up by SMEs of the apprenticeship offer. The Hubs in each of the eight main areas of the city region will offer great opportunities for synergy with this programme, not least of which an existing programme of employer contact. This will enhance the range of options open to the employer besides apprenticeships and will increase the chances of securing a positive outcome which meets their needs. Only one Hub, North Yorkshire, is not likely to take part in this programme, in view of its low numbers of young people in the target cohort.

LEP

The LEP Secretariat is developing this proposal in conjunction with LCR Local Authorities on behalf of the LEP's Employment and Skills Panel (ESP), which has strategic oversight of youth unemployment issues. The lead Panel Member for this workstream is Dave Wight, from DWP, who has led a development project over the last year since the City Deal, which agreed a focus on better collaboration and integration of services between DWP and local partners. Dave and DWP District colleagues have hosted a number of workshops with local partners including all the local authorities, to help identify the key issues and barriers facing this cohort, which has engendered a good sense of collaboration and shared purpose.

The LEP's business members are supportive of efforts to simplify the employability agenda and to offer practical help to businesses who want to grow. They have backed the 'five three one' campaign and many have offered work experience placements, indicating a willingness to play their

part in addressing youth unemployment as well as spreading the message to other employers.

The LEP has done significant work in determining the key growth sectors, including the appointment of lead employers as Sector Champions, who are active in their industry to drive efforts to tackle skills and employment issues. It is envisaged that the Sector Champions will help promote the offer to other businesses as part of the employer engagement work. Many are active on twitter and will use social media as well. Examples of LEP and ESP Board Members include representatives from Siemens, Kodak, RBS, Purenet, Lloyds, WSP, BT, Borg Warner and IBM, as well as SMEs within smaller niche sectors.

The LEP also manages the overall Apprenticeship Hub programme outlined above and is well placed to do the same for this programme, to ensure coherence.

Providers

We already have good relationships with a range of delivery partners from a range of specialisms, who each have a role to play in supporting the programme. These include:

- National Careers Service – delivery organisations who will support the assessment centres and selection weeks with expert IAG and job sector experience
- Intermediate Labour Market – In Communities, a housing organisation who runs the Bradford ILM on behalf of Bradford Council’s Employment Opportunities Fund has been very helpful in sharing its best practice and acting as a platform for expanding its operations to enhance this programme.
- Skills Network – the Leeds City Region’s network of colleges, universities, employability and work based learning providers works very closely with the LEP to support joint initiatives and to align skills provision as closely as possible to jobs. This will enable us to tap into mainstream ASB as well as ESF funded Workplace Learning funding as well as Skills Support for the Workforce (both ESF funded and tailored to LEP growth priorities).
- Third sector/voluntary/employability organisations- we have links to third sector provision which is experienced and effective in working with the more challenging needs of young people in localities. This includes organisations experienced in delivering IAG, Work Programme, ESF NEET provision and Youth Contract, including the devolved arrangements in Leeds, Wakefield and Bradford for 16-17 year olds. We are keen to work with specialist providers who can engage and inspire the most disaffected into more enterprising, purposeful lives, including national organisations e.g. the Princes Youth Trust who have established local programmes with scope for further alignment.

New Ways of Engaging Employers and Local Campaigns

We will engage employers with a combination of ‘tried and tested’ engagement strategies, underpinned by a compelling offer, alongside an innovative pilot to involve employment agencies more proactively in attracting business interest, in view of their direct relationship with many recruiters.

Employer Engagement

With the offer below, our JCP and Local Authority business engagement teams will deploy additional capacity to contact more employers in the priority sectors with growth prospects, as outlined earlier, and discuss with them how best to meet their recruitment needs with a combination of the following offer:

- Apprenticeships (with AGE)/Traineeships, and/or
- Youth Contract Wage Incentive of £2275, supported by
- Dedicated help to recruit and select the right young people for the employer's needs
- 'Sector Work Academy' employability training geared to the industry requirements
- Intensive 'In Work Support' to resolve any early problems settling into work
- A travel pass for the young person
- A contribution of up to £725 towards the employer's additional supervision/coaching costs
- Up to £500 towards essential training required which cannot be funded from other sources.

The engagement teams are experienced in direct marketing, employer networking, events, increasing use of linked in and social media including twitter to spread the message and promote greater awareness. Word of mouth recommendation amongst employers is most effective, once the programme reaches a critical mass.

DWP's business engagement team is also active in promoting the options including local enhancements to employers who regularly use Job Centre Plus for recruitment. They can offer Sector Academy support to those employers looking for entry programmes for mass recruitment needs with the opening of new stores or other new developments.

As outlined earlier, the LEP's 'Five three one' campaign will provide a foundation of employers interested in supporting work placements and Apprenticeships, so will assist in targeting early adopters.

Our proposals for engaging with more employers in innovative ways are twofold and will be set out more fully in Section Three to follow. These include an Employment Agency Pilot and the appointment of Young People as Project Ambassadors.

3. Proposals and Rationale for Intervention

Overview of Proposal

A diagram of our proposed delivery model is set out overleaf and described in outline in Section Two earlier.

The key elements of the proposal are explained more fully below:

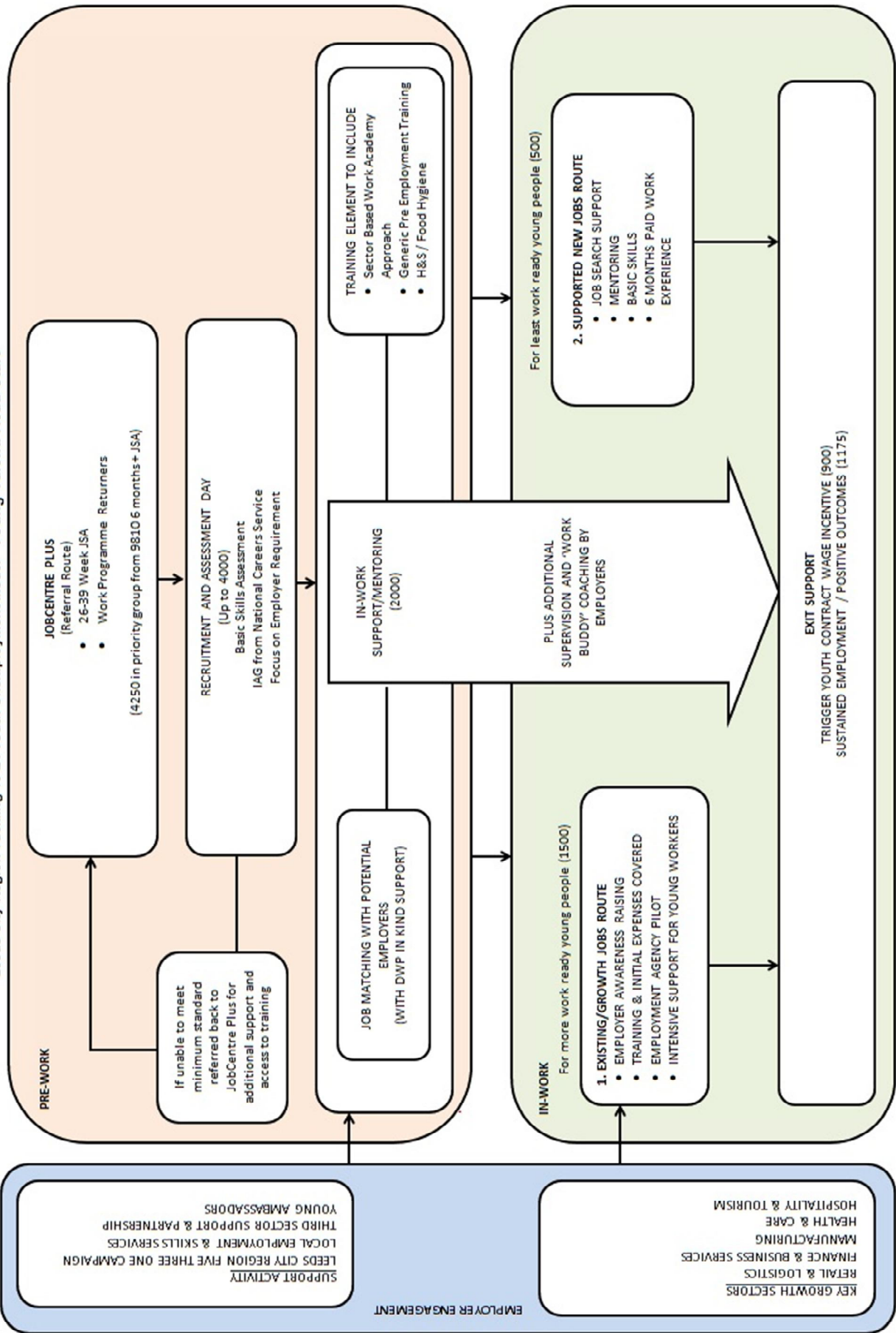
Recruitment and Assessment Day

- All referred participants will attend a recruitment and assessment day. Where possible we would aim for these to be sector specific and run on a regular basis in order to meet the volume of referrals. It is envisaged that this may be delivered in association with the local National Careers Service provider drawing down some National Careers Service Funding to enhance the offer with professional IAG.
- Participants would be assessed against a pre-determined set of criteria, competencies and experiences determined by local businesses which would include their willingness to work and an initial IAG meeting would identify barriers to employment, types of roles / sector for which they have an aptitude.
- A Basic Skills assessment will be undertaken as feedback from JCP staff suggests that this is a key determinant of employability and where serious gaps in numeracy and/or literacy are uncovered, then this will need addressing with appropriate skills support funded elsewhere.
- Candidates who do not meet the requirements will be given detailed feedback and referred back to a JCP Advisor to receive additional support and access training to enable them to successfully meet the minimum requirements at a later stage. Working closely with Jobcentre Plus will ensure that the individual can receive the necessary support to meet the criteria before week 39 of their claim.

Selection Week

- Participants deemed ready for the next stage will progress to the Selection Week element of the programme. The Selection week provides an opportunity for all participants to receive sector based pre-employment support and training. This determines the route of progression to Routes One or Two and depends upon the skills and work readiness of the individual. It is expected that this may be delivered by the Local Authority staff, in association with the local National Careers Service provider or other suitably experienced providers of employability support.

Leeds City Region Tackling 18-24 Youth Unemployment Model - Young Talent: Head Start



- Selection Week will provide pre- employment training which, where possible, will be delivered to groups in a Sector-based Work Academy approach geared to industry needs. This will assess the participant's ability to sustain their development, de-risking the placement for business and enabling them to be in a stronger position to draw down the wage incentive.
- A pre-work support officer/mentor (employed by the Local Authority or a partner agency) will assist with the co-ordination of this stage of delivery, ensuring that wider barriers as identified in the recruitment and assessment day are addressed.
- Once the participant has been placed through either the new or existing jobs route they will have access to in-work support and the employer will be supported to draw down the wage incentive.

Routes One and Two

- As described fully earlier in Section Two, the project will support a direct entry to employment or a supported job placement for less work-ready young people, for a period of six months, at which point the wage incentive will be triggered for those still in employment.

Exit Support

Lessons from previous programme delivery suggest that investment in 'exit support' will ensure a more effective transition into sustainable work, whether with the initial employer or with a different employer if the individual is able to progress with a strengthened CV.

The In Work Support staff will therefore step up their intensive contact with the individual as they approach months five and six of the job/placement, to initiate dialogue with the young person and the employer about options for staying with the business.

The employers will be expected to offer a formal interview to all young people and to provide feedback on their performance, as well as a formal reference/testimonial if they are moving on.

The Exit Support package will include 'brush up' advice on ensuring the CV is up to date with new skills learnt and that interview practice is offered in the form of a mock interview before the real one with the employer.

Where necessary, young people will be given refresher job search techniques including making online applications, handling telephone interviews and establishing a professional online presence e.g. through linked in and reviewing their facebook profile.

Advice on progression routes will be offered to individuals and employers, including support for improving qualifications in the workplace, to address any remaining basic skills deficiencies and to set the young person on a path towards gaining higher qualifications through work-based learning, an Apprenticeship and/or other industry/professional qualifications.

Project Duration

The programme can be started from January 2014 where it is possible to build on local schemes already in operation, for example in Bradford, Calderdale and Kirklees. Where additional contracting and recruitment is required, some elements of the programme will require a two-four month lead time to ensure that procurement rules are adhered to and staff secured.

This will mean a staged introduction across the seven centres from January- March 2014 and a project duration that will run until at least June 2015, with a period of transition until December 2015 as the placements are completed, financial transactions completed, progress tracked and evaluated.

Meanwhile, we will be planning for a smooth and sustainable transition to future funding from the ESIF (ESF) and Local Growth Fund, which will be available from Autumn 2014 and April 2015 respectively. Those aspects of the programme which have proven successful will be adopted into the two programmes above for continuation and development, subject to approval by the respective authorities.

Rationale for Intervention

The rationale for intervention includes various facets, which are addressed through different elements of our programme. These are:

1.) Information & Awareness Gap

The take up pattern of the YC Wage Incentive demonstrates that the majority of employers are not aware of the incentive and its benefits. Recent increases in take up by our local DWP partners shows that increased awareness and 'sales' activity does pay dividends, so our proposal includes significant investments in additional employer engagement activity, both tried and tested methods and new approaches including the pilot with employment agencies and Young Ambassadors using social media.

The increased awareness, in addition to the support below, will lead to increased take up of the Wage Incentive as originally intended.

2.) Barriers to Employer Recruitment of Young People

Employers make rational choices when recruiting and so will normally choose the most experienced, qualified and well-motivated employees from the pool of labour available, which currently includes over 82,000 people in LCR (all claimants on JSA).

To skew their choices in favour of inexperienced young people, with few qualifications and no track record of sustained work, requires these obstacles to be mitigated by the employer engagement teams persuading the employer to take part.

The support package for the employer has therefore been designed to tackle the foremost employer objections, as follows:

- Lack of CV/references – extensive selection support in place to provide a detailed profile of the individual's strengths and capabilities, to enable more effective matching to employer needs and offer some indication of future potential.

- Inexperience - employer is encouraged to provide extra supervision and/or a work buddy to coach the young person intensively, for which £725 is available to cover the extra costs.
- Unreliability/poor attendance – young person provided with a travel card for the first month, whilst they are awaiting their first wages & mentor to monitor attendance and intervene quickly if problems occur.
- Lack of skills - access to pre-work and in-work training from both mainstream sources and a top up £500 for any employer specific requirements.
- Not fitting in – support from the work buddy and project mentor to help the young person to adjust to the norms expected by a new peer group.
- Poor productivity – the wage incentive will offset this in financial terms.

3.) Insufficient Jobs in the Economy

As set out in Section One, the ratio of jobseekers to vacancies (4:1) means that even with the above awareness and incentives, there are insufficient jobs being created at present to generate the opportunities needed for the 'backlog' of young people unemployed from the recession period.

There is therefore, an argument for limited and targeted intervention (in specific Northern economies including Leeds City Region) to kickstart the creation of jobs, whilst economic growth remains positive but fragile. The 'hotspots' identified in Section One demonstrate the areas where this is required. Several authorities, notably Bradford, Kirklees and Calderdale, have already recognised this and have invested in job schemes or intermediate labour market initiatives using Council reserves.

A recent survey report by Close Brothers (Business Desk 2nd September 2013) demonstrates the challenge:

'MORE than half of firms in Yorkshire and Humberside have no plans to create new jobs in the year ahead, with 14% saying trading conditions have deteriorated in the last 12 months.

Those are the findings of the latest Close Brothers Business Barometer, which surveys SME owners across the UK and Ireland on a range of economic and financial issues.

It found that just over 28% of companies in the region will recruit in the next 12 months, with only a fifth of those businesses intending to hire permanent members of staff.

Regional sales director for [Close Brothers Invoice Finance](#) in Yorkshire and Humberside, [Lee Hayes](#), said: "When so many firms out there are still struggling, it's little wonder that job creation is weak.

"However it is our workforce that will continue to drive the economy forward and ensure firms are equipped to grasp opportunities as they arise. We have a wealth of new talent in the UK - talent that has made us the top destination for inward investment in Europe last year. We must find a way to embrace this."

He added: "Cash flow issues remain a major obstacle to firms wishing to consolidate and grow and this is having a knock-on effect on the economy's recovery as a whole.

"We understand that access to funding is a key driver for growth and that's why we are working with firms across Yorkshire and Humberside to raise awareness of all the viable funding options open to them."

The Close Brothers Business Barometer also revealed some positive news, indicating that 98% of businesses

polled in Yorkshire and Humberside are not currently planning any job losses within the coming year.

Hayes said: "It's good news that the majority of jobs are secure for the time being but local firms need to do more to plan ahead and invest in the future."

The case for intervention with our Supported Jobs Route, which involves some additional wage incentive as a top-up to the national figure, is justified by its use as a limited option for the most severely challenged young people with least chance of securing a job through open competition, hence the employer must have a longer period de-risked (six months) to gain sufficient confidence to hire the young person on a fully waged basis.

The added benefit of this inevitably more expensive route, is to offset future social problems, potential cost of crime and long term benefit dependency from which it becomes ever harder to escape.

4.) High Risk of Drop Out

The other major rationale for the programme is the risk of young people dropping out of their jobs/placements and thus causing employers problems following a significant investment in their selection. This can create a vicious circle which puts employers off recruiting other unemployed young people, so it is important that sufficient resources are deployed on both selection/matching at the outset, and then intensive in work support and mentoring, to overcome any 'wobbles', whether motivational or practical difficulties experienced in the first few weeks.

Many young people find full time work physically very tiring at first and have to re-set their body clocks to a new pattern, whilst forming a new identity and relationships in a working peer group with a mix of ages and personalities, very different from their normal educational or social peer groups.

The 'core' of intensive support for employers and young people running through the programme is designed to mitigate the risk of drop out by finding solutions to the inevitable challenges which will need to be overcome.

Understanding of Current Interventions

Get Britain Working and the Youth Contract offer young people a series of voluntary and mandatory activities as part of their Jobseekers Agreement within the first 6 months of unemployment. Basic Skills training is under-utilised and the uptake of National Careers Service Support is not yet maximised. Despite the availability of services and provision a significant number of 18-24 have basic skills needs which would hinder them in securing sustainable employment. A recent survey carried out showed that almost half of the individuals joining the Work Programme in this region had basic skills needs in literacy, numeracy and IT.

The Work Programme is delivered by 6 Primes across the City Region, predominantly by Interserve and Ingeus who manage the West Yorkshire sub-region. We have good working relationships with Primes and they are represented in our LEP's Skills Network by Michelle Manson of Interserve. Lack of performance data remains a key constraint for Local Authorities in ensuring optimum alignment with Work Programme activity, however there has been

effective local co-operation between Primes and local partners. The return of Work Programme customers following the two year end of programme is expected to bring large numbers back into DWP registers, however we do not yet have a full understanding of their needs or the offer which DWP will make to them.

Within Leeds City Region, Big Lottery Talent Match is being developed aimed at 18-24 year olds unemployed for 12 months or more and furthest from the Labour Market.

The region has seen early success from the Devolved Youth Contract (DYC) aimed at 16/17 year old NEETS and Talent Match has used a similar model to develop the programme for the older cohort. Initial findings from the DYC showed 56% of NEETS have gone into positive destinations. Flexibility of support rather than additional training provision is the main driver in both of these programmes.

Target group(s)

We have selected the following target groups from our cohort of 23,350 unemployed 18-24 year olds, from the over six months unemployed group of 9,810 individuals:

- **6-9 Month Unemployed Young People**

We have 2705 young people in the 26-29 week unemployed category, who have a window of three months before they are referred to the Work Programme. This group has exhausted the initial self-help phase of jobsearch with Job Centre Plus support and is typically hitting barriers at the application and/or interview stage. Whilst there are still graduates in the cohort, who lack work experience and/or employability skills, there are many people with few or no qualifications and basic skills gaps. Lack of work experience is typically the most significant barrier facing these young people, as they compete with more mature, more experienced and more recently unemployed jobseekers.

- **Work Programme Returners (Two Years Plus)**

We have 1545 young people in the 104-156 week category, which will comprise returners from the Work Programme, therefore the most difficult to help, having already had two years of proactive, holistic support. This is where our 'Supported Jobs' Route is targeted, to create opportunities with organisations prepared to offer a more caring, supportive environment whilst the young person adjusts to the demands of a normal working week with the ensuing responsibilities.

We know that these young people will have severe motivational challenges as well as practical issues, so the role of the in-work support mentor is more intensive and dedicated to building resilience.

- **Vulnerable Young People at Risk of Long Term Detachment**

In addition to the categories above, we would like to consider an additional 'fast-track' route for care leavers and young people in troubled families, who may have been identified via work in the 16-17 NEET Youth Contract arena, or by local caseworkers,

who would be seriously at risk of long term detachment and could have a strong case to benefit from Intensive Support and entry to one of the Supported Jobs.

We will need to spend more time following the bid stage quantifying how many young people this might involve and how best to assess and meet their needs.

Gap Analysis

Our experience in delivering the devolved Youth Contract support for 16-17 year olds in Leeds, Bradford & Wakefield, which was agreed in last year's City Deal, has helped us to identify clearly where we can add value to existing provision and make a difference to job outcomes, which are currently 56%. This programme has concentrated on improving advice and guidance, increased 'wraparound' support tailored for young people and above all a flexible approach to helping them progress into jobs. The individualised support is key to pulling together a holistic package of support to get them work ready, using all the existing training, careers and other social services to best effect.

Therefore, a similar approach has been taken to developing this programme for 18-24 year old NEETs, building on the array of support already available from national and local sources and providing the additional boost to focus on the needs of this group.

The Case for Experimentation

- **Employment Agency Pilot**

The innovative angle which we are keen to investigate through this pilot is how best to engage commercial employment agencies in the challenge of placing young people ahead of more experienced workers when introducing candidates to employers. Blue Arrow have approached the LEP with a view to extending their existing pilot where they have placed over 200 young people using the Youth Contract Wage Incentive.

We are keen to explore how this might be rolled out to other agencies beyond those already working closely with DWP and wish to appoint a Project Manager (potential secondee) to develop this concept further and 'road test' it with around 15 agencies, to replicate the success which Blue Arrow have demonstrated. This would again tap into the existing Wage Incentive model, but would include some set up/development costs to offset the costs of additional administration whilst agencies put in place and iron out the necessary sales and administrative processes.

Some agencies use legal arrangements for placing workers with employers which do not currently qualify for the wage Incentive (contracts for service) so this aspect will need to be examined and legal advice taken, where necessary.

We believe that this route will be highly sustainable once the desired behaviour change in agencies is secured, through the reinforcement of behaviour with rewards available and demonstration of the intrinsic benefits, and will prove highly cost effective.

- **Young People as Project Ambassadors**

The other innovative feature of our proposal is the appointment of two 18-24 year olds from the target group who will act as roving ambassadors for the project, speaking directly to employers (and young people) about the programme and exemplifying the positive traits and qualities which employers can expect to find in the so called 'Generation Y', which, generally speaking, include:

- Technology savvy as standard, especially by mobile
- Multi-tasking as normal
- Proactive in engaging with social media and causes they believe in
- Confident in sharing their ideas (although this may be lacking following a period of unemployment)
- Loyal, caring, team players
- Keen to work, particularly interested in meaningful work.

The Ambassadors will be proactive on twitter, facebook and linked in and will speak at networking/other events designed to promote the programme to employers, promoting success stories of how young people have added to their employers' businesses and dispelling myths about a workshy generation.

They will make videos for you tube featuring young people on the programme , with adequate safeguards for employers and individuals, to help the publicity spread widely.

Strategic Fit with existing and future local plans to tackle youth unemployment

The strategic fit of our proposal to national and local provision was set out earlier in section two, underpinning our drive for a NEET free City Region, so is not repeated here to avoid duplication.

Our future plans to tackle youth unemployment are intrinsic to the LEP's current work to develop a European Structural & Investment Fund (ESIF) Strategy by January 2014 and a Strategic Economic Plan (SEP), which will evidence our bid into the Local Growth Fund, by March 2014.

The ESIF is currently in development but will offer access to 390m Euros over seven years 2014-2021, including ESF funded measures for employment and social inclusion, which we would expect to support continued expansion and roll out of our programme, for the eligible activities e.g. employability. Our wider ESIF will be based on jobs and growth, so will therefore drive demand from employers for new employees, as the major investments in business growth take effect. Low carbon is a particular priority and expertise for Leeds City Region, so will offer good job opportunities for our young people in manufacturing, construction and other support services.

We are also awaiting the DWP 'Opt-In' prospectus, which will offer opportunities for co-financing existing mainstream support with additional EU funded support.

Our Local Growth Fund bid will build on our LCR Employment & Skills Panel's work developing a Skills Plan and our City Deal work on a NEET free city region, both of which have given the highest priority to tackling the 18-24 unemployment challenge, so although it is too early to confirm future funding allocations, it is expected that this work will form a large element of our proposals.

Our economy represents 5% of England's GVA, with the largest manufacturing base and second largest financial sector in the UK, so it has the strength and diversity to recover well and contribute positively to national economic growth. Our capacity to handle devolved budgets on transport and regeneration measures will inject millions into new investments, both in large infrastructure projects and smaller scale SME expansions supported by our local RGF funded Business Growth Programme.

We can therefore connect the combined effects of the above with the support measures in this programme to ensure that our unemployed young people can compete effectively for the new jobs which will be generated.

How Proposals Build on Existing Projects/Interventions – the Case for Expansion

This programme will offer the combined benefit of a new Leeds City Region-wide 'offer' to employers, along with the advantage of being able to package and deliver this locally by building on existing infrastructure in seven Local Authority centres. This varies in intensity by area, but generally includes the following:

- Business engagement teams, deploying Key Account Managers (KAMs) to maintain relationships with larger companies, new investors and in some cases (e.g. ERDF funded until end 2013) for SMEs
- Apprenticeship Hubs & ATAs, set up recently using City Deal investment, employing SME engagement staff and promoting Apprenticeships to young people
- Employment & Skills Officers, who lead on policy, liaison with local providers and commissioning of support, where available
- Community outreach facilities including 'Job Shops' in some deprived areas
- Social and Children's Services, including IAG, responsibility for Care Leavers and support for Troubled Families

We can access the support of the seven lead Employment & Skills Officers to commission additional resources to complement or retain existing expertise (for example where ERDF programmes come to an end and employer engagement specialists would otherwise be lost with their local business knowledge).

Implementation, Delivery and Evaluation plans

Our outline implementation plan would roll out as follows:

Key Activity	Lead	By when
Set up Project Steering Group with key partners	LEP, DWP, LAs	From October 13 to meet monthly
Work with partners to develop delivery plan	LEP	October 13+
Specification of wraparound services	LA partners	Oct- November 13
Commissioning of wraparound services	LA Partners	Nov- December 13
Recruitment of key staff	LEP & Partners	November 13+
Development of employer engagement strategies	LEP DWP & Partners	December 13
Contracting for additional services	LA Partners	January 2014
Set up financial & monitoring systems	LEP & Partners	January 2014
Early implementation in areas with capacity to expand	LEP & Partners	From January 2014
Employer engagement rolls out	LA DWP Partners	From January 2014
Referrals from JCP introduced and road tested, area by area	DWP	From late January
All areas operational	LA Partners	By March 2014
Quarterly Reviews of performance	Steering Group	From April 2014
Design of evaluation process with Cabinet Office	LEP/CO	By February 2014
Commissioning of evaluation	LEP/CO	By May 2014
Reports to LEP Employment & Skills Panel & LEP Board	Steering Group	Six Monthly
Mid Project Review	Steering Group	January 2015
Transition of Programme to ESIF/Local Growth Funding	LEP	From Autumn 2014

Value for Money

See sections four and five for value for money calculations.

4. Costs, Modelling and Impact

The costs of our proposal are set out in headline below, supported by a more detailed spreadsheet breakdown supplied to the Cabinet Office.

We recognise that we have relatively high unit costs, in particular to fund our Supported Jobs Route, which are justified by the relatively high deprivation levels in some of our hotspots where jobs growth will not occur organically without stimulus (as recognised by the Bradford EOF rationale) and by the need to embed wraparound support in seven large urban centres, therefore the economies of scale which can be gained by aligning with existing local and national programmes require a higher degree of local project management to ensure these gains are secured.

We believe that higher investment in wraparound support will delivery higher conversion rates than traditionally achieved in this field, so whilst support costs could be reduced further, it will reduce the time available to support both companies and young people through problems and will therefore have a knock on effect on drop out/conversion. Higher levels of quality support will drive higher conversion rates.

Our innovative elements do, however, offer a route to more sustainable economies in employer engagement by trialling an employer agency model and social media/Young Ambassador model which are both designed to stimulate greater take up of wage incentive with reducing costs.

Programme Elements (net costs)	Young People	£ Unit Costs	£ Total Costs
Intensive Wraparound Support	2000	2,650	5,300,000
Participant Direct Support	2000	370	740,000
Route One: Existing/Growth Jobs	1500	914	1,370,488
Route Two: Supported New Jobs	500	3,095	1,547,682
Totals	2000	4,479	8,958,170
Wage Incentives Triggered	900		2,047,500
Other Jobs/Positive Outcomes (e.g. further study)	275		
Total Job Outcomes & Unit Cost	1,175	£7,624	
Unit Costs counting additional Jobs from Partner Match	1,345	£2,678	
Total Job Outcomes	2520		

Subject to affordability, this model could be scaled up to accommodate more young people, of up to 4,000 young people in the target cohort. We would also consider reshaping some elements of the delivery model in the light of Treasury advice on wage incentive constraints, with a view to securing top-up wage incentive funding from the most appropriate sources and thereby redirecting YC underspend into increased levels of wraparound/participant support for more young people.

Conversion Rates	% Conversion to YC Wage Incentive	Number of Jobs	% Conversion to Other Jobs/Positive Outcomes	Number of Other Jobs/Positive Outcomes	Total	%
Route One: Existing/Growth Jobs	40%	600	15%	225	825	55%
Route Two: Supported New Jobs	60%	300	10%	50	350	70%
Total (measured at 27 weeks)	45%	900	14%	275	1175	59%

Conversion rates are based on our better than average historical performance in achieving job outcomes from previous paid work experience programmes (circa 60% across the city region) and a belief that the investment in high quality wraparound support will ensure that positive outcomes are achieved for the majority of participants, whether with the initial employer or subsequent ones.

To follow: impact analysis – Regional Economic Intelligence Unit to include

- *Project level:* such as qualifications, apprenticeships, sustained jobs, progression off-flow rates, off-benefit estimates
- *Headline impact:* Off-flow rates, days off benefit, reduction in youth unemployment or long-term unemployment or NEET rates, potential savings to the Exchequer

5. Match Funding

Over its two year duration, our programme will leverage **over £28m** of complementary match as set out below, along with a further 1345 additional jobs. In summary:

- Local Authorities are committing **£10.4m** to employment support and local wage incentives
- Employers will contribute **£9.9m** in net wages for the young people
- Other Public Sector Agencies will support the programme by aligning circa **£8.5m** of complementary activity/funding.

Looking to the future, the LEP expects to prioritise addressing youth unemployment in its EU and Local Growth Fund strategies and so an indicative estimate of **£20m** per annum is projected which, subject to success, will enable the programme to be sustained and expanded.

Local Authority Partners		
Match Source	Nature (WI = includes local Wage Incentive element)	Amount £
Leeds	Employment Support Programmes	£2,030,130
Bradford	Employment Opportunities Fund (inc WI)	£7,000,000
Kirklees	Kirklees Jobs Fund (WI), Stronger Families Project	£650,000
Wakefield	Business Engagement, Family Services Support Advisor, Recruitment Support	£447,400
Calderdale	Grants for Businesses (WI)	£87,000
Barnsley	Job Programme Support	£165,000
York (inc Selby)	Economic Inclusion Funding	£95,000
Total		£10,474,530

Employer Contributions (NB only wage contributions have been calculated to date – not in kind support)		
Match Source	Wage Costs	Amount £
Employers offering jobs in Route One	1500 x £258 weekly wage x 27 weeks	£10,449,000
Employers offering supported jobs in Route Two	500 x £500 x 6 months	£1,500,000
Total Investment		£11,949,000
Less Wage Incentive Triggered		
Employers offering jobs in Route One (at 27 weeks)	40%	£1,365,000
Employers offering supported jobs in Route Two (at 27 weeks)	60%	£682,500
Total YC Wage Incentive Triggred	45% Overall Conversion	£2,047,500
Net Employer Investment (wages)		£9,901,500

Other Supporting Match (Public Sector)		
Match Source	Activity	£
Big Lottery	Talent Match (from April 2014 subject to award)	6,904,297
JCP	Business Engagement Advisers	250,000
JCP	Flexible Support/Hardship Funds (local projects)	49,000
National Careers Service	IAG Interventions for Assessment Centres (£120 for 3 sessions x 2000)	240,000
Skills Funding Agency	FE College provision, Sector Based Work Academies (est. 1500 x £400)	600,000
ESF	Workplace Support (basic skills) and Skills Support for the Workplace (est. 500 x £1k)	500,000
Total		8,543,297

Future LEP Match Potential – indicative		
EU Funds – ESF/ERDF in ESIF	Wraparound support and, if eligible, wage incentive top ups	Approx £10m pa
Local Growth Fund	Wider programmes to stimulate jobs growth, linked to specific employment measures building on this programme	Approx £10m pa

Annexes

A. Additional Evidence on Young People Not in Education, Employment or Training (NEET)

As part of the City Deal with central government, the city region has set itself an ambition to drive down the NEETs rate over the medium term. The table below shows that LCR has a lower NEET rate than the English average, and is also lower than Yorkshire & Humber and Greater Manchester. Over the last year, the rate has fallen by 1% - a faster fall than seen in England, Yorkshire and Greater Manchester.

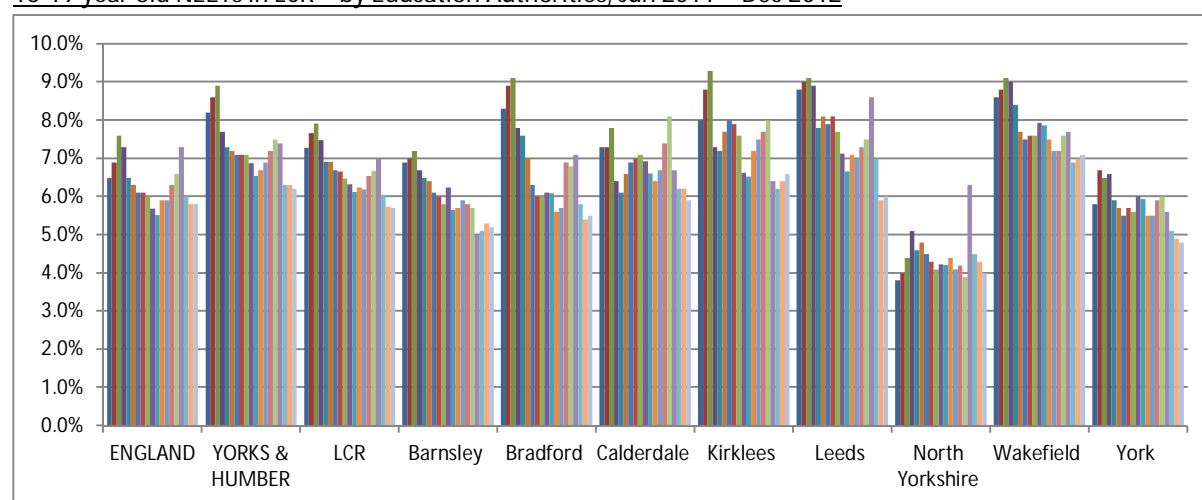
NEETs in LCR, December 2012

Area	NEETs	Annual change
Leeds City Region	5.7%	-1.0%
Greater Manchester	6.2%	-0.7%
Yorkshire & Humber	6.2%	-0.9%
England	5.8%	-0.3%

Source: Department for Education, 2013

Due largely to the academic calendar and the “flow” of young people from one statistical category to another and the methodology deployed to derive the NEET estimates, the months of August and September are traditionally peak periods for NEET levels. Over the last 18 months, the estimated number of NEETS in LCR has fluctuated significantly. The chart below shows the August/September peak in 2011, and subsequent sharp decline until around April when rates start to rise again. However the 2012 peak (LCR: 7%, England: 7.3%) is lower than the 2011 Peak (LCR: 7.6%, England 7.9%). This is good news but it is too early though to say whether this is due to an improvement in the wider economy and the successful implementation of government and local policies.

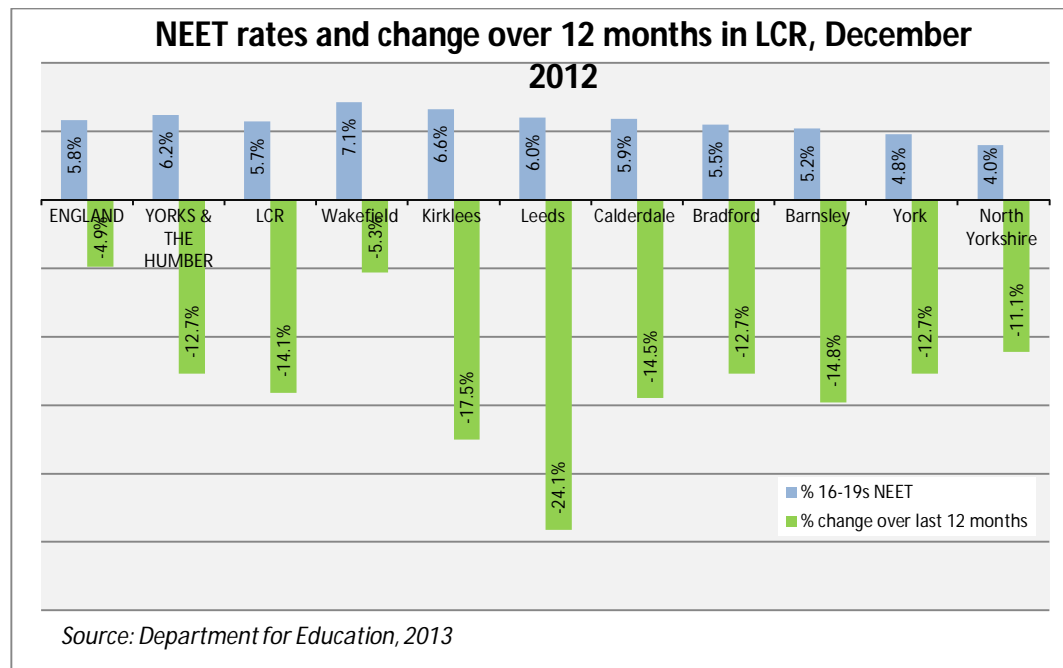
16-19 year old NEETs in LCR – by Education Authorities, Jun 2011 – Dec 2012



Source: Department for Education, 2013

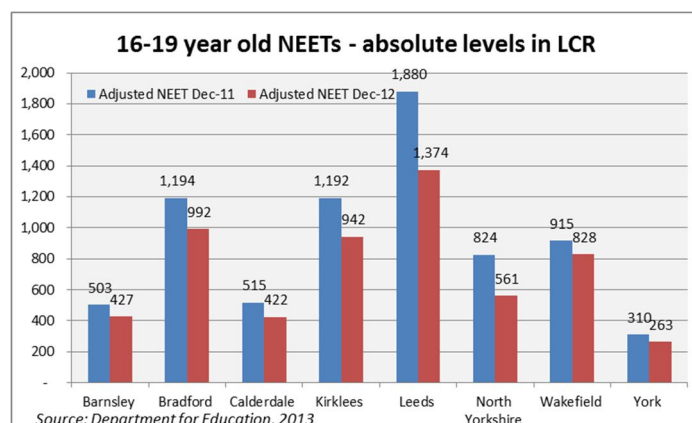
NEET data is reported at Local Education Authority (LEA) level and in North Yorkshire this is at

County Council level. This means that the North Yorkshire districts that are part of LCR (Craven, Selby and Harrogate) are “bundled” together with the other North Yorkshire Districts in this section.



At LEA level, NEET rates vary considerably. The chart above shows that by December 2012, the highest NEET levels in LCR were recorded in Wakefield district (7.1%), followed by 6.6% in Kirklees and 6% in Leeds. York and North Yorkshire had the lowest levels, 4.8% and 4% respectively. All LEAs in the city region have recorded significant improvement, compared to the same period 12 months ago.

In absolute terms, the number of 16 -19 NEETs in LCR was estimated to be 5,809 in December 2012. A year before then, the estimate was 7,333. It is worth noting here that the number of youth claimants (18-24) in LCR is currently more than 23,000 (see JSA data). It is therefore argued that this is the correct focus for the current proposals.



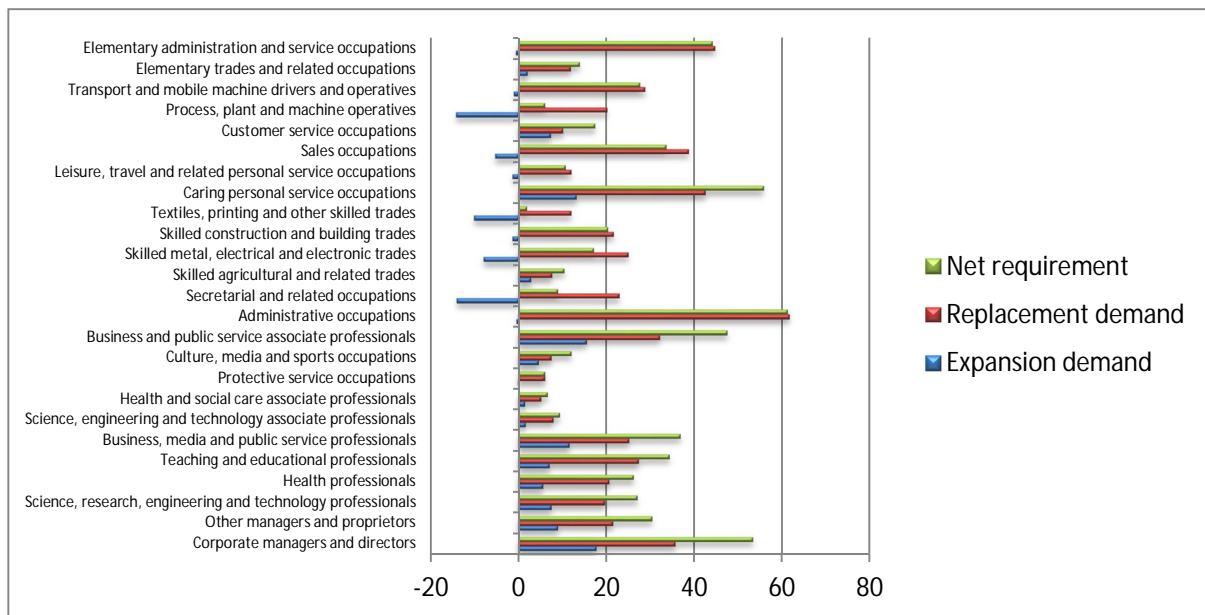
When NEET levels in LCR are compared with the England average over the last 12 months, the evidence shows that the two almost mirror each other.

B. Forecast Labour Demand

Our assessment of labour market opportunities available to young people is informed by the following analysis.

The figure below shows that in net terms, every occupation is forecast to have significant vacancies over the next decade. This includes occupations like customer services, leisure, travel and related personal services, textiles, printing and other skilled trades, skilled metal, electric and electronic trades and secretarial and related occupations which are all forecast to actually shrink in overall employment terms.

Total Demand for Labour in LCR 2010-2020.



Source: Working Futures, UKCES

Demand for Labour

Expansion Demand	50,000
Replacement Demand	567,000
Net Demand for Labour	617,000

Source: Working Futures, UKCES

Vacancies

Another means of analysing the strength and understanding the dynamics of the demand for labour in an economy is to assess the trend in advertised vacancies. The figure below draws on data provided by Jobcentre Plus via ONS and as such only represents vacancies advertised via JCP. This therefore over-represents certain types of job (often elementary less skilled jobs) and often tends to under-represent highly skilled jobs which are rarely advertised at Jobcentre Plus. Nonetheless this is

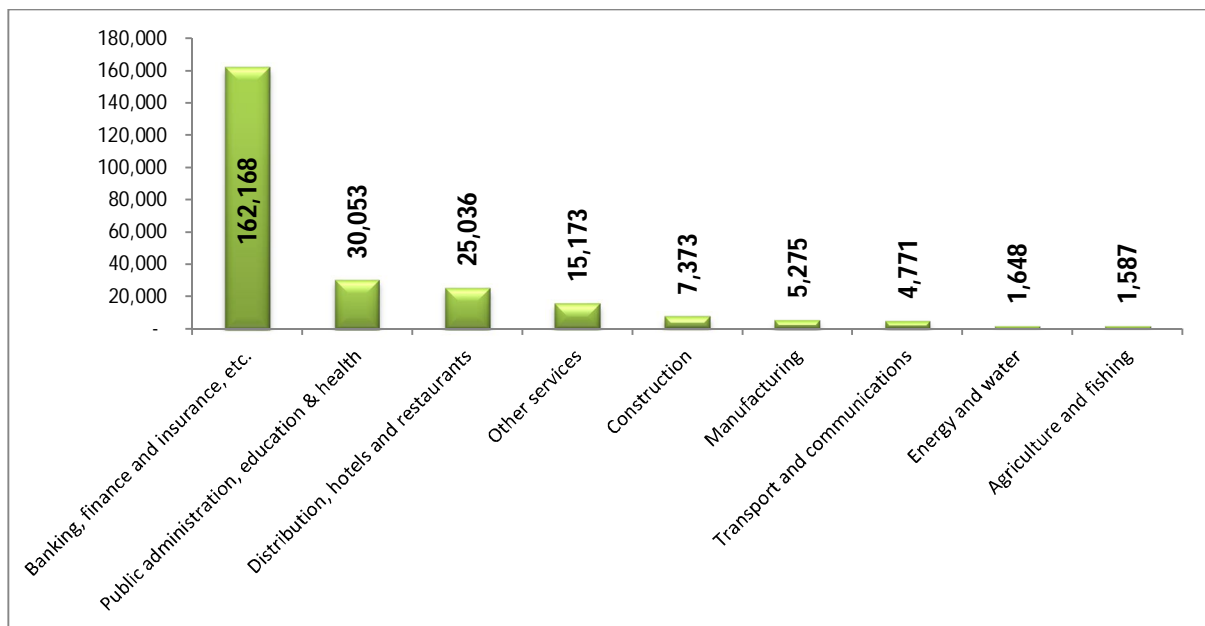
still a good guide to understanding trends and the strength of the labour market.

Through 2012, the Banking, Finance and Insurance sector accounted for 64% of vacancies advertised by Jobcentre Plus. This is primarily due to the methodology used to categorise certain vacancies. All vacancies advertised **by employment agencies** are categorised under the banking and finance broad category; likewise the activities of Contact Centres. This explains the predominance of that sector.

Public Admin, Education and Health and Distribution, Hotels and Restaurants accounted for 12% and 10% respectively.

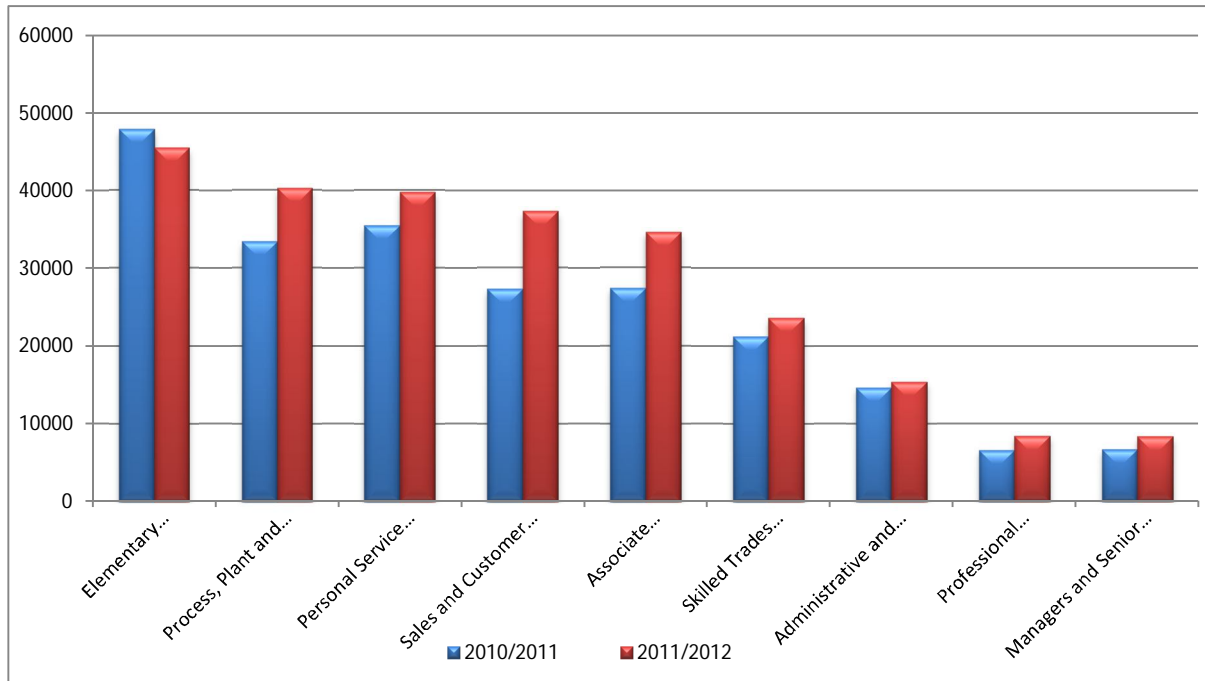
Vacancies in the Leeds City region by Sector, 2012

Source: NOMIS/Jobcentre Plus 2012



In terms of occupations, figure below shows that elementary occupations, unsurprisingly accounted for more vacancies than any other. However its share of the total fell from 22% in the 12 months to November 2011, to 18% in the 12 months to November 2012.

Jobcentre Plus advertised Vacancies in LCR, 2010/11 – 2011/12



Source: NOMIS/Jobcentre Plus 2012