

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting9th February 2012

1. Title of Item/Report

Communities Fund Exit Strategy

2. Record of the Decision

Cabinet considered a report relating to the Communities Fund employability and skills contracts which were into the third and final year of delivery.

Members were reminded of the benefits of the Communities Fund and considered opportunities for the Council to continue supporting employability services beyond March 2012.

It was explained that in November 2011, the Deputy Prime Minister announced a £1 billion Youth Contract to help young unemployed people get a job. Over three years from April 2012 the Youth Contract would provide at least 410,000 new work places for 18 to 24 year olds. This included:

- 160,000 wage subsidies worth up to £2,275 each, for employers who recruit an 18-24 year-old through the Work Programme;
- 250,000 work experience placements, offering an income replacement benefit equivalent to their Jobseekers Allowance;
- at least 20,000 more incentive payments to encourage employers (SMEs) to take on young apprentices. Each incentive payment is worth £1500 to an employer.

Members noted that this support was targeted at those people aged above 18 years of age and currently no initiatives were geared towards those 16 or 17 year olds.

It was agreed that such initiatives would go some way to helping the current levels of youth unemployment, but employers were critical to any success. A skilled workforce was vital to meet the challenges of both the local and global economies. It was important that the Council demonstrated its commitment to workforce development by helping and supporting young people into sustainable employment and setting an example to other employers.

The Council's Human Resources had developed a Young Person's Employment strategy within the Council to help increase the number of apprenticeship opportunities available for young people.

There were a many different local authority funded initiatives across the country that demonstrated good practice and it was agreed to build on what had been developed in Stockton and use some of the good practice from other areas to design a model that met the needs of residents and the business community alike. Until detailed guidance became available from the government it would be difficult to provide the detail required to agree a definitive model at this stage, thereby avoiding any duplication in mainstream provision, but rather adding value or filling any gaps in provision.

Cabinet felt that the Council knew what worked locally and the preferred model was to adopt a Future Jobs Fund/Intermediate Labour Market (ILM) style initiative that would include those aged 16-24, which would also complement the Young Person's Employment Strategy. Some indicative costings showed that 100 apprentices employed at the National Minimum Apprentice wage (£2.60 per hour) for 37 hours for 39 weeks would cost in the region of £375,200. This number of apprentices would include a contribution towards the 18 apprentice posts to be created within the Council, identified in the Young Worker Employment Strategy, if approved. It was also the intention to focus on the 'looked after children', young people with learning disabilities or mental health issues and some of those young people with prolific offending history. Delivery would commence in April 2012.

RESOLVED that delegated powers be given to the Director of Development & Neighbourhood Services in consultation with the Cabinet Member for Regeneration and Transport to agree a delivery model based on an Intermediate Labour Market (ILM)/Future Jobs Fund style initiative once detailed government guidance was received about the Youth Contract. Delivery will commence in April 2012.

3. Reasons for the Decision

Youth unemployment (claimant count) in the Borough is currently 12.3% compared to the overall unemployment rate for the Borough of 5.4%. The level of young people not engaged in employment, education or training (NEET) in Stockton is 10.2%, which is equivalent to 704 young people aged 16-19 (academic years 12, 13 & 14).

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Beall declared a personal, non prejudicial interest in the item entitled Communities Fund Exit Strategy as he was a Member of the Central Area Partnership and Chairman of the Eastern Ravens Trust

6. Details of any Dispensations

None

7. Date and Time by which Call In must be executed

Midnight on Friday 17 February 2012

Proper Officer
13 February 2012