

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

16 MAY 2013

REPORT OF CORPORATE MANAGEMENT TEAM

Regeneration and Transport – Lead Cabinet Member – Cllr Smith

EMPLOYABILITY – THE WAY FORWARD

1. Summary

This report provides details of the final evaluation of the Stockton Communities Fund. The report also provides an account of the current activities and future priorities for the employability agenda moving forward.

2. Recommendations

1. It is recommended that Cabinet note the great success and accomplishment of some of the initiatives that have taken place in Stockton to tackle unemployment, increase skills and improve entrepreneurial culture, notably the Communities Fund, Future Jobs Fund and Stockton Youth Employment Initiative.

3. Reasons for the Recommendations/Decision(s)

To evaluate, present and evidence the economic conditions prevalent within Stockton and provide an improved understanding of the local economic situation(s) and how an inter-connected set of factors influence each other, from which we can develop services and targeted interventions.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code).

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EMPLOYABILITY – THE WAY FORWARD

SUMMARY

This report provides details of the final evaluation of the Stockton Communities Fund. The report also provides an account of the current activities and future priorities for the employability agenda moving forward.

RECOMMENDATION

1. It is recommended that Cabinet note the great success and accomplishment of some of the initiatives that have taken place in Stockton to tackle unemployment, increase skills and improve entrepreneurial culture, notably the Communities Fund, Future Jobs Fund and Stockton Youth Employment Initiative.

DETAIL

1. Cabinet have received regular reports about the delivery of Stockton's Communities Fund over the lifetime of the programme as part of the governance arrangements. In February 2012 Cabinet also agreed the development and delivery of an Intermediate Labour Market/Future Jobs Fund approach for the under spend. This initiative later became the Stockton Youth Employment Initiative.

2. The Communities Fund, delivered between April 2009 and March 2012 was a great success, particularly in light of the prevailing economic conditions. This success was reflected in the final evaluation report that concluded:

“The Programme’s achievements are particularly positive given the very difficult labour market conditions in which it has been delivered.”

“The recession and changing labour market has had a very significant impact on the Programme. It has also made it more difficult to place clients into work as there are fewer job vacancies in the market”.

3. The Communities Fund Evaluation Report will be available in the Members library for the date of this meeting.
4. Overall the Communities Fund achieved the following:

Employability

- 3660 residents engaged – 80% above profile;

Of which:

- 80% were unemployed for +6 months;
- 25% were unemployed +2 years;
- 21% were unemployed +3 years;

- 1950 secured employment – 96% profile;
- 161 unemployed +2 years;
- 1091 still in employment after 26 weeks (56%)
- £1.2M paid to sub contracting organisations, many in the third sector;
- Minimum £2.2M savings to the Exchequer.

Enterprise

- Secured additional ERDF of £407,857;
- 1387 residents received enterprise coaching;
- 339 start up businesses created;
- 80% survived 12 months trading;
- All secondary schools, one primary and HE college engaged in Enterprise Culture project;
- 4275 young people supported through Enterprise Culture project;
- 80 existing businesses supported through 'Over the Threshold';
- 296 start up grants awarded.

Future Jobs Fund

- £1.1M secured from DWP;
- 181 jobs created – 166 aged 18-24, 15 aged 25+;
- 162 still in employment after 26 weeks;
- 628 elements of accredited training.

5. Overall, the Communities Fund exceeded expectations. It was a new and challenging way of working moving away from the previous grant funded regime of Neighbourhood Renewal Funding. It has significantly moved more people closer to the labour market and in to sustainable employment than any previous programmes. It has also built the capacity of both the prime providers and sub contracting organisations to allow them to build track records and as a result secure a variety of contracts with the Department for Work and Pensions (DWP) and Skills Funding Agency (SFA).

6. As part of the exit strategy for the Communities Fund and acknowledging that there would be no further Government funding available to continue the contracts in the same vein , a number of options post March 2012 were discussed with providers. It was agreed that should any surplus monies become available priority should go towards tackling the growth in youth unemployment and that the Council and its partners will still continue to source other streams of funding to help and support our residents in to sustainable employment.

THE WAY FORWARD

Stockton Youth Employment Initiative

7. As a result of a small under spend on the Communities Fund contracts it was previously agreed by CMT and Cabinet in February 2012 to prioritise any funding towards young people aged 16-24. This would still seek to target young people from the most deprived

areas, but it would also be accessible to all young people across the Borough. The Stockton Youth Employment Initiative was then developed.

8. The model is based on our success of the Future Jobs Fund, but has been scaled down to reflect the funding available. Opportunities had to be for at least twelve months, providing work for a minimum of 30 hours per week and be paid at least at the national minimum wage. They had to be additional i.e. they would not exist without this funding, had to be of community benefit and the jobs had to be part of an apprenticeship framework/NVQ or other learning depending on the competency of the young person.
9. It was envisaged that the under spend would create in the region of 100 jobs for 16-24 year olds, but, in fact, this has exceeded our expectations and to date 132 positions have actually been filled, with the vast majority of young people undertaking an apprenticeship. A further 20 posts have been committed where recruitment is underway. 31 organisations from the public and voluntary and community sectors have benefitted from the initiative, which may have contributed to Stockton currently having the lowest percentage of 18-24 year olds in receipt of Jobseekers Allowance (JSA) in the Tees Valley.

Flexible Support Fund

10. During 2012/13, the five Tees Valley LAs successfully bid to Jobcentre Plus securing £500,000 of funding, which was the largest single bid in the country to deliver the Flexible Support Fund. This initiative aimed to create a minimum of 400 jobs across the Tees Valley, 80 in each LA district. In Stockton we have exceeded this number with 113 jobs supported to date. Funding has only been available until May 2013 and we are currently awaiting an announcement from Jobcentre Plus regarding any future funding opportunities that may be available.

Enterprise Culture

11. Due to the success of the Enterprise Culture project the Project Officer post has now been mainstreamed as part of the review of Regeneration & Economic Development and is based within Tees Achieve to improve and further develop links with schools.
12. This initiative has gone from strength to strength, all of the secondary schools continue to be actively involved and since mainstreaming a further 11 primary schools are now engaged and this will increase within the capacity of the funding available. This translates as 362 young people actively participating and 64 teachers and 20 businesses have been involved.
13. An Enterprise Champions programme has also been developed to support schools to build capacity for embedding an enterprise culture. This programme will develop teachers and support staff and provide schools with tools and techniques to build enterprise projects in schools to become sustainable.
14. The 'Made in Stockton' brand was launched at the schools Christmas market, to encourage test trading for school and community projects from across the Borough. The market project is well received by schools and will continue throughout the year. It is the intention to involve more schools as the project develops further.

Tees Achieve

15. Over the past couple of years there has been a shift in focus from adult education in its various guises to more skill and employability based provision. This coupled with their recent review and restructure provides the flexibility to meet the needs of both learners and employers. Contracts have been secured with the Skills Funding Agency to deliver apprenticeships and an adult skills budget. The flexible nature of

the current system has allowed Tees Achieve to provide a better offer, particularly for those aged 16-18. A good example of this is the recent Events Academy which provided various activities linked to some of the key events in the Borough. 54 young people were engaged in the programme and 48 fully completed the course.

16. Tees Achieve will be heavily influenced by the recent publication 'Rigour and Responsiveness' that sets out how the Government will accelerate their reforms to the skills system, to ensure that all vocational training allows citizens to compete with any in the world. As part of this process Tees Achieve has secured an additional £325K from the Education Funding Agency (EFA) that has increased the number of young people they are able to support from 160 to 220. The Study Programme will be tailored to meet the needs of individual students and include a mix of qualification-led and non-qualification activity.

14-19 Partnership

17. Working together the Stockton-on-Tees 14-19 Partnership is committed to providing exciting learning opportunities that will encourage and embed a culture of lifelong learning for all. Our aim across Campus Stockton is to empower learners so that they may confidently develop skills, attributes and talents to succeed and prosper in their working and adult lives. We recognise and value each individual learner and will ensure that our collaborative offer places no limit to their learning and potential.
18. This plan builds upon the work already done by the Partnership and provides clear direction for all partners to work together towards achieving our vision for our young people in the future. Through the Partnership, we will evaluate, refine and embed this plan over the next three years.
19. It is critical to ensure the right provision is in place to meet the needs of all young people and employers, which is both important and challenging. In Stockton we have a number of initiatives designed to engage young people in learning, for example, ESF 'Get On In Life' and the Youth Contract. We have a number of post-16 colleges and work based learning providers based in Stockton offering a wide range of programmes and sector areas.

The Creative Employment Programme

20. It is the intention that the Council working collaboratively with partners will submit a proposal to the recently announced Creative Employment Programme. This is a £15m Arts Lottery fund that aims to support the creation of 1,600 traineeships, 2,900 formal apprenticeships and 2,000 paid internship opportunities for 16 – 24 year old unemployed people wishing to pursue a career in the arts and cultural sector.
21. The focus will be on Arts Council England's footprint. This includes all employers, both commercial and subsidised, that fall within this footprint:
 - Music
 - Dance
 - Theatre
 - Literature
 - Visual arts
 - Contemporary craft
 - Combined arts
 - Galleries
 - Circus
 - Carnival arts
 - Museums
 - Libraries
22. The Creative Employment Programme will offer grant funding towards the part wage costs for apprenticeships and internships; this funding will be available up to March 2015.

23. Funding is accessed through an open and competitive grant process; applications can be submitted by stand alone employers or by a consortium which must be made up of a minimum of five partners, of which 4 must be employers working within the identified footprint.

Stockton Employability Consortium

24. This strategic multi agency partnership of representatives from the public, private and voluntary and community sectors has been established for some time to identify key strategic priorities needed to tackle worklessness, improve skill levels and increase entrepreneurial activity. The two key areas that have been agreed to concentrate focus for 2013/14 are young people aged 16-24 and an improved coordinated approach to employer engagement. Virtually one third of working age people claiming Jobseekers Allowance in Stockton are aged 18-24 and employers are critical to understanding future skill needs and progressing young people in to sustainable employment.
25. Both topics are important and equally challenging, particularly with little new funding available. It is critical that partners work collaboratively and jointly agree priorities to maximise the few opportunities that are available. Young people need skills and training to give them the best chance to succeed in the job market. To achieve this vision the terms of reference are being revisited to ensure the membership and the priorities of the group are fit for purpose in the current and ever-changing economic climate.

FINANCIAL IMPLICATIONS

26. There are no financial implications associated with this report.

LEGAL IMPLICATIONS

27. There are no specific legal issues or implications.

RISK ASSESSMENT

28. The Communities Fund and associated initiatives were categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

29. The priority theme directly linked to the worklessness agenda is Economic Regeneration & Transport. The Partnership aims to bring more people into employment, strengthen our knowledge base, promote a more entrepreneurial culture and strengthen key industrial clusters.
30. The key ambition at the heart of this vision is 'a strong local economy with better jobs and improved employability'.
31. However, the nature of this work touches a number of other areas of the Sustainable Community Strategy as it is recognised that a co-ordinated multi-agency approach is required to achieve the long term objectives of moving more people in to work, improving the skill levels of local people and increasing the level of entrepreneurial activity across the Borough.

EQUALITY IMPACT ASSESSMENT

32. The Communities Fund was subject to an Equality Impact Assessment and was judged to have a positive impact. Any more detail e.g. score?

CONSULTATION INCLUDING WARD/COUNCILLORS

Portfolio holder and appropriate officers.

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Background Papers – None

Ward(s) and Ward Councillors - None

Property - None