

To: YOUTH AND EQUALITIES COMMITTEE		Subject: YOUTH INVESTMENT PROGRAMME UPDATE
From: HEAD OF EDUCATION (SKILLS LIFELONG LEARNING & YOUTH EMPLOYMENT)		
Date: 8 April 2016	Rep: LMCM/ PK/KR	

1. Introduction

- 1.1 The purpose of this report is to update Committee on the current status of the Youth Investment Programme (YIP) and the transition to the next phase of employability services for young people in North Lanarkshire.

2. Background

2.1 Impact of Youth Investment Programme

The Council's Youth Investment Programme was launched in February 2012 to boost the support offered to unemployed residents in North Lanarkshire, with a particular emphasis on supporting 16-24 year olds into employment. A target of supporting 5,000 into work by March 2015 and a further 1,000 by March 2016 was agreed. A large scale marketing programme to employers promoting support available from the Council was initiated alongside a new recruitment portal under the brand North Lanarkshire's Working.

As part of the Youth Investment Programme, the Council also set itself the goal of playing a significant role in supporting the employment of young people from North Lanarkshire. The Council increased its own Modern Apprenticeship Programme and has recruited 470 young people into this since 2012. In addition, it initiated a Youth Placement Programme which provided 200 x 6 month entry level work experience opportunities for young people within the Council and a Graduate Futures Programme which provided 70 x12 month graduate level work opportunities for local unemployed or under employed graduates.

With significant investment from the Council, by March 2016 6,368 unemployed residents have been supported into employment and expenditure has been fully committed. The figures below show the changes in the North Lanarkshire labour market since the start of the Youth Investment Programme.

Table 1 Job Seekers Allowance (JSA) Figures: North Lanarkshire rate % & number is given in ()

	JSA 16-64			JSA 16-24		
	North Lanarkshire	Scotland	UK	North Lanarkshire	Scotland	UK
Feb 2012	5.7% (12,670)	4.4%	4.1%	10.0% (3,800)	7.2%	6.7%
Mar 2015	3.2% (7,040)	2.4%	2.0%	4.7% (1,775)	3.2%	2.4%
Feb 2016	2.1% (4,528)	1.8%	1.5%	1.8% (685)	1.7%	1.4%

There has been a 65% decrease in North Lanarkshire unemployment since February 2012 compared to a 61% decrease across Scotland. In terms of 16-24 year old unemployment there has been an 82% decrease since February 2012 in North Lanarkshire and a 75% average decrease across Scotland.

2.2 North Lanarkshire Labour Market

The labour market in North Lanarkshire in 2016 offers a completely different set of challenges to that presented to the Council in 2012, when it made the decision to directly tackle the high youth unemployment within the area with the Youth Investment Programme. In February 2012 1 in 10 young people were unemployed and that number is now 1 in 55. It is clear that in the current labour market many of those who remain jobless, of all ages, will not be ready to begin employment immediately and will need additional support to prepare for and sustain employment.

The number of JSA claimants in North Lanarkshire is now lower than the level reached at their lowest point prior to the recession in December 2007. However, unemployment in North Lanarkshire continues to be above the Scottish and UK averages for all ages and there are underlying labour market issues in the area related to the numbers of residents of working age claiming benefits who are not economically active. Alongside this, those 16-24 year olds not in training, education or employment are faced with welfare reform measures which are increasingly pushing benefit claimants toward the labour market.

3. Considerations

3.1 Next Steps

In response to the recovery in the labour market and decrease in unemployment, the Council's employability service and partners have begun the process of changing the focus of its support from a service which provides a large scale wage subsidy to businesses to one which is focused on those unemployed residents who are furthest from the labour market.

These are those groups who, despite the labour market recovery and increased employment opportunities in the area, have barriers to entering the labour market. These can be wide ranging but can include low qualification levels, debt, physical or mental health issues, addictions, criminal convictions and literacy and/or numeracy problems.

Therefore, employability services will need to focus on a remit with employers and unemployed residents that is much wider than simply securing a vacancy and will need to involve:

- engagement with those groups who are furthest from the labour market
- increased and individualised pre-employment support
- engagement with employers on an ongoing basis to secure work placements and trials which meet the needs of their business
- ongoing structured in-work support to employers and individuals which leads to sustained employment

New EU funding is gradually being made available to local authority led employability services with, in the West of Scotland, additional EU funds known as the Youth Employment Initiative are available for providing support to 16-29 year olds. Since March 2015, the Council, alongside other local authorities in Scotland, has been in negotiation with the Scottish Government to secure its share of these funds and approvals have now been received.

3.2 North Lanarkshire's Youth Employment Initiative

Over the last 12 months, as EU funding regulations and the focus for future EU funds has emerged from the Scottish Government, Employability Services, Routes to Work, and Community Learning and Development staff have been designing a joint approach to implementing a Youth Employment Initiative project across North Lanarkshire which will meet the needs of those 16-29 year olds who are job ready and those who have barriers to employment.

The project is focused on supporting the delivery of activity which encourages and promotes equitable access to employment. Given the nature of some of the target groups a range of support will be available including support with childcare, literacy and numeracy, health and learning issues. There is an imbalance in North Lanarkshire related to the increased numbers of women who are inactive and specific measures will be taken to engage with that group and good practice in engaging with BME communities will be built on within this intervention.

The resulting project, North Lanarkshire's Youth Employment Initiative (NLYEI), has secured £5,020,000 of European Social Funding alongside a Council contribution of £2,472,537. The project will engage with over 3,000 16-29 year olds from 2016-2018 and support them into employment, training or further education. The total project cost is £7,492,537 and will be delivered in partnership by Employability Services, Community Learning and Development and Routes to Work.

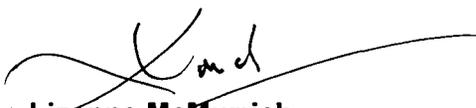
In addition there will be an employer recruitment incentive which will be used to support those participants with multiple barriers into employment and all participants will receive intensive in-work support to ensure that opportunities are sustained.

4. Conclusions

The Youth Employment Initiative offers the Council the opportunity to continue to focus support on young unemployed residents of North Lanarkshire as well as actively engage with those young people who are furthest from the labour market and support them towards entering employment, education or training.

5. Recommendations

It is recommended that Committee note the contents of this report.



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Members seeking further information on the contents of this report are asked to contact Paul Kane, Employability Services on 01236 632867.