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**Haringey Council**

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**Matter being dealt with by**  
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05 October 2011

To: All Members of the Overview & Scrutiny Committee

Dear Member,

Re: Overview & Scrutiny Committee 10<sup>th</sup> October 2011

I attach a copy of the following report for the above-mentioned meeting, which was not available at the time of collation of the agenda:

**11. REVIEW SCOPING REPORTS (PAGES 1 - 18)**

To approve the scoping documents for review on the following subjects:

- b. Worklessness (pages 1-18)

Yours sincerely

Natalie Cole  
Principal Committee Coordinator

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Agenda item:

**[No.]****Overview and Scrutiny Committee****October 10<sup>th</sup> 2011**

Report Title: **Scrutiny Review – Support for workless young people aged 16-24 in Haringey**

Report of: **Councillor Bull, Chair of the review panel**

Contact Officer : Martin Bradford, Policy Officer

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Ward(s) affected: **All**

Report for: **[Key / Non-Key Decision]**

**1. Purpose of the report (That is, the decision required)**

1.1 That the Overview and Scrutiny Committee approve the terms of reference for the review of worklessness among 16-24 year olds as set out in the attached report.

**2. Introduction by Cabinet Member (if necessary)**

2.1. N/A

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

3.1 This review will link with the Sustainable Community Strategy outcomes of:

- economic vitality shared by all, specifically:
  - maximise income
  - increase skills and educational achievement.

3.2 This review will also link to priorities within the Regeneration Strategy (to 2016) which aims to:

- increase skills and employment
- create areas where businesses want to invest and people want to live
- develop a 21<sup>st</sup> century business economy.

**4. Recommendations**

- 4.1. That the Overview and Scrutiny Committee approve the terms of reference for the review in to worklessness among 16-24 year olds.

**5. Reason for recommendation(s)**

- 5.1. The attached report provides the national and policy context which supports the proposed review in this area.
- 5.2. Relevant service leads have been consulted in the development of this scoping report.

**6. Other options considered**

- 6.1. N/A

**7. Summary**

- 7.1 Tackling youth worklessness is a key priority and a wide range of policies, projects and initiatives have been developed at national, regional and local levels to support young people back in to employment, education or training. Such interventions are important to help achieve broader strategic objectives, such as reducing poverty, inequality and social exclusion.
- 7.2 Nationally, two fifths of all unemployed people are young people aged under 25. The unemployment rate for 16-24 year olds (20.8%) has also risen faster than for other age groups and is currently three times that of older unemployed people.
- 7.3 In Haringey, 2,345 young people aged under 24 were out of work and claiming benefit in July 2011; this represented 9.4% increase on the previous years figure. The rate of 18-24 year olds claiming Job Seekers Allowance is 10.9%, which is the 4<sup>th</sup> highest for any local authority in London.
- 7.4 The attached report provides the national and local policy context to worklessness among young people and the proposed terms of reference for a scrutiny review in this area. Once approved, a review panel will conduct the review to the agreed timeframe and report back its conclusions and recommendations to Overview and Scrutiny Committee.

**8. Chief Financial Officer Comments**

- 8.1 It is assumed that any costs of this scrutiny review can be met from within existing budgets. If there is a cost implication of any recommendations following the review these will need to be considered by Cabinet at the appropriate time.

**9. Head of Legal Services Comments**

9.1. In accordance with the Constitution and the Overview and Scrutiny Committee Protocol, the OSC can commission up to three task and finish Scrutiny Review Panels in a civic year.

9.2. Membership and chair of the Scrutiny Review Panel is to be determined by the OSC and should, as far as practicable, reflect the proportional representation of political groups on the Council. The Scrutiny Review Panel should be time-limited and should not meet more than five times.

**10. Service Financial comments**

10.1 This review will be carried out within the current resources of the Policy, Intelligence and Partnerships Unit.

10.2 Any financial implications that arise from recommendations within this review will be highlighted in the final report.

**11. Head of Procurement Comments – [Required for Procurement Committee]**

11.1. N/A

**12. Equalities & Community Cohesion Comments**

12.1 Nationally, approximately 2 in 5 of all unemployed are young people under the age of 25.

12.2 Nationally, unemployment among 16-24 year olds is not evenly distributed:

- the unemployment rate among 16-17 years olds (35.9%) is higher than 18-24 year olds (17%)
- youth unemployment is higher among young males (20%) than for females (15%)
- youth unemployment rates are higher in London (22%) than in other regions
- young people from poorer backgrounds twice as likely to be not in employment, education, employment or training.

12.3 Young people not being in education, employment, training for a period 6 months or longer is a predictor for future long term unemployment.

12.4 Long term unemployment can also lead to:

- 'psychological scarring' which results in poor physical health and well being
- lower earnings potential
- welfare dependency and poor social mobility.

12.5 This scrutiny review will provide further evidence of the impact of worklessness within local communities and efforts to support young people back in to work, education or training. It is anticipated that the review will address any identified equalities issues within the conclusions or recommendations of the final report.

**11 Consultation**

- Relevant service leads have been consulted in the scoping process and their comments have been reflected in the finalised report.
- It is anticipated that key stakeholders, including young people themselves, will be consulted within the review work programme.

**12 Use of appendices /Tables and photographs**

- These are detailed in the attached report.

**13 Local Government (Access to Information) Act 1985**

- Supporting youth employment: an overview of the Coalition Government's approach. Prime Ministers Office May 2011
- Unemployment by Constituency, House of Commons Research Paper 11/66 14 September 2011
- The Cost of Exclusions: Counting the cost of youth disadvantage in the UK, Prince's Trust, 2010

## **Scoping Report for scrutiny review of worklessness and support for 16-24 year olds in Haringey.**

### **1. Introduction**

- 1.1 Worklessness among young people is of growing national and local concern. As of July 2011, the number of unemployed young people aged 16-24 years reached 973,000; at 20.8%, this was the highest unemployment rate for this age group since 1992.<sup>1</sup> In Haringey, 2,345 young people aged under 25 years were out of work and claiming benefit in July 2011, this represented 9.4% annual increase.
- 1.2 Unemployment can have far reaching consequences for young people, their families and for the communities in which they live. Research would also suggest that unemployment can impact on future life chances of young people, where prolonged unemployment as a young person can lead to:
- reduced future earnings potential
  - increased likelihood of future long term unemployment
  - psychological scarring which may impact on future well being.<sup>2</sup>
- 1.3 Tackling youth worklessness is a key priority and a wide range of policies, projects and initiatives have been developed at national, regional and local levels to support young people back in to employment, education or training. Such interventions are also important to help achieve broader strategic objectives, such as reducing poverty, inequality and social exclusion.
- 1.4 The following provides a brief scoping report for the proposed scrutiny review of worklessness among 16-24 year olds in Haringey. The report provides a brief overview of key national and local policy developments in this field and sets out the proposed terms of reference for the review. It is hoped that the conclusions and recommendations ultimately developed within the review, will guide and inform support for workless young people in Haringey.

### **2.0 National Policy Context**

#### National data

- 2.1 A summary of key worklessness data for 16-24 year olds is provided below:
- Two fifths of all unemployed people are young people aged under 25 (Figure 1)
  - The unemployment rate for 16-24 year olds (20.8%) has risen faster than for other age groups and is currently three times that of older unemployed people (Figure 2)
  - There are significant variations in the unemployment rate among 16-24 year olds:
    - the unemployment rate among 16-17 year olds (35.9%) is double that of 18-24 year olds (17%) (Figure 3)

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<sup>1</sup> Unemployment by Constituency, House of Commons Research Paper 11/66 14 September 2011

<sup>2</sup> The Cost of Exclusions: Counting the cost of youth disadvantage in the UK, Prince's Trust, 2010

- youth unemployment is higher amongst males (20%) than females (15%) (Figure 4)
- the youth unemployment rate in London (22%) is higher than other regions (Figure 5)

### National policy

2.2 The accession of the Coalition government in May 2010 has seen a number of significant legislative and policy changes in respect of unemployment and worklessness. The overall approach of the government to unemployment has been to place greater emphasis 'supply side' policies; these aim to create the economic conditions that increase the demand for labour as opposed to the subsidisation of employment.

2.3 Given the prevalence of young unemployed people, the Coalition government has published a policy document which aims to tackle worklessness and support young people back in to work, education or training. There are five priorities within the governments approach:<sup>3</sup>

- raising attainment and ensuring young people have necessary skills
- supporting local partners to provide effective and coordinated services for young people
- encourage employers (public and private) to support young people through offering work experience, internships and apprenticeships
- promoting personal responsibility to make sure work pays and people are incentivised to work and to break their dependency on welfare
- creating wider conditions for sustainable growth and creating new job opportunities.

2.4 Within the context of the above a number of specific legislative and policy changes have been developed which have impacted or will impact on the landscape of support services available for workless young people. These include:

- establishment of the Work Programme: welfare to work programme which replaces all other programmes for unemployed people
- Educational Maintenance Allowance (EMA) replaced by a new bursary scheme
- Age of compulsory participation in education to be raised to 17 in 2013 and 18 in 2015
- Early Intervention Grant (EIG) to replace other numerous grants available to local authorities to support preventative work in this policy area
- Introduction of Universal Credit, a single uniform credit which withdraws benefits at a single rate in relation to earnings
- Establishment of National Careers Service in 2012 to support job search among young people aged 19 years and over
- Developing access to apprenticeships and work experience

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<sup>3</sup> Supporting youth employment: an overview of the Coalition Government's approach. Prime Ministers Office May 2011

- Retention of business rates by local authorities

2.5 The Government has indicated that it will publish a Participation Strategy for 16-24 year olds in the autumn of 2011. This will set out how the Government intends to maximise participation of 16-24 year olds in education, training and work as well as tackle the long term consequences of NEET. This may have important implications for local service provision.

### 3.0 Local Policy Context

#### Local data

3.1 As of 2009, there were estimated to be 27,300 young people aged 15-24 years living in Haringey, which equates to 12.1% of the local population. Overall *employment* among 16-24 year olds is lower in Haringey (37%) when compared to regional (42%) and national averages (50 %).

3.2 The most accurate data for local youth unemployment and worklessness is derived from the administration of welfare benefits, such as the Job Seekers Allowance (JSA). Analysis of data from July 2011 indicated that:

- 2,175 (10.9%) 18-24 year olds were claiming JSA in Haringey (Figure 6)
- 360 had been claiming JSA for between 6-12 months and 80 for more than 12 months
- the rate of JSA claimants among 18-24 year olds in Haringey (10.9%) is the 4<sup>th</sup> highest in London (Figure 7)
- trend data (2006-2010) demonstrates that the current rate of young people claiming JSA (10.9%) is the highest over the past 4 year period (Figure 8).

3.3 Local data indicates that 310 young people (aged 16-18 years) were not in education, employment or training (NEET) in 2010, which equated to 6.6% of this cohort locally. Local analysis of this data would suggest a higher prevalence of young people that were NEET in the east of the borough (Figure 9). Although there has been some improvement, local NEET figures are among the highest in London (Figure 10).

#### Local policy

3.4 The overarching development policy for the borough is contained within Haringey's Core Strategy. This sets out future development plans (to 2026) for the borough and encompasses such areas as affordable homes and school places as well as jobs. The development of industry in the Upper Lea valley and Haringey Heartlands as well as local transport infrastructure are both identified to be important in securing a strong economy for the borough.

3.5 There is a local Regeneration Strategy (to 2016) which has identified 3 local priorities: increasing skills and employment, creating areas where businesses want to invest and supporting a 21<sup>st</sup> century business economy. The strategy also notes a number of priorities to support local employment:

- developing stronger links with central London
- developing local skills
- raising educational attainment
- reducing worklessness
- ensure mainstream services support exit from worklessness (i.e. childcare).

3.6 The *Haringey Guarantee* is Council's strategic approach to tackling worklessness in the borough. Through working with employers, schools and colleges, skills training providers, employment services and local communities it aimed to deliver jobs for local unemployed people and support for local businesses. A scrutiny review of the Haringey Guarantee conducted in 2010-11 formed a number of key conclusions:

- a holistic approach is beneficial to tackling worklessness
- local worklessness programmes should focus on 18-24 year olds
- further engagement with local businesses may help to secure local jobs
- the transfer of job creation to the private sector (from the public sector) represents a significant local challenge.

3.7 The changing national economic context has led to reduced funding and the formation of new political priorities and strategies. This has impacted on the nature and scope of local services which are available to support unemployed people and young people in particular. Key services changes include:

- reduced funding for the Haringey Guarantee accompanied by refocusing services on young people (18-24 years)
- reconfiguration of local Youth Services and Connexions Services in to a Youth Community and Participation Service
- reconfiguration of Schools Standards team and support available for young people NEET (including the loss of the dedicated 14-19 team).

#### **4. Aims and objectives of the review**

4.1 Local services for young unemployed people are in a period of transition as of a result of national policy directives and reduced funding. The proposed scrutiny review in this area will offer an opportunity to consider how these changes impact on workless young people and how services are prioritised and coordinated to meet the employment, education and training needs of young people.

##### Overarching Aim:

4.2 It is proposed that the overarching aim of this scrutiny review is:

“... to consider current service provision and support for workless young people and identify priorities for service improvement or development.”

##### Objectives:

4.3 It is proposed that within this overarching aim, the review seeks to address the following objectives:

1. To describe the nature and level support currently available for workless young people aged 16-24 years people living in Haringey, and to:
  - identify information or service gaps
  - assess how performance is measured
  - identify local successes and how these can be replicated across the borough.
2. To assess how the Council and partners have responded and adapted to legislative and policy changes in relation to support available for workless young people in Haringey.
3. To assess the preparedness of the authority in relation to forthcoming legislative and policy changes which may impact on support for workless young people, in particular:
  - Changes to education participation age to 17 (in 2013) and 18 (in 2015)
  - The introduction of Universal Credit and other benefits changes
  - 18-24 Participation Strategy
4. To assess policies and practices of other local authorities to identify good practice and to help benchmark local provision for workless young people.
5. To consult with workless young people about their perception, usage and benefits obtained from local services and to help identify any areas for service improvement. To also consult with young people who have been supported back in to work, education and training to identify the benefits of projects and initiatives in this policy area.
6. To consult with local employers / education training providers about possible education and skills gaps in the local labour market which may be contributing to local worklessness among young people.

## **5. Proposed review methodology**

### Review Panel

- 5.1 The review will be chaired by Cllr Bull. A review panel consisting of up to 6 other members will be convened to conduct the scrutiny review.

### Panel Meetings

- 5.2 The review will use a range of investigative methods to ensure that the panel has access to the necessary evidence to assist them in their assessment of the support available for worklessness young people in Haringey. A series of panel meetings will be held to approve the aims of the review, to receive oral and written evidence, oversee project progression and formulate conclusions and recommendations. Panel meetings will occur at approximately four week intervals (or as agreed by the panel).
- 5.3 Five panel meetings will be held from October 2011 through to March 2012. It is anticipated that panel meetings will focus on particular themes or topics to

inform the data gathering process. A possible outline for the suggested panel meetings is given below:

<b>Panel Meeting</b>	<b>Suggested objectives for the panel</b>	<b>Possible stakeholders</b>
1	<ul style="list-style-type: none"> <li>▪ Discuss and agree the scope of the review</li> <li>▪ Agree plan of work (i.e. informants, visits)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Service leads</li> </ul>
2	<ul style="list-style-type: none"> <li>▪ Current provision for workless young people</li> <li>▪ Information or service gaps, performance</li> <li>▪ Responding to future legislative &amp; policy changes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Council Officers</li> <li>▪ Voluntary Sector</li> </ul>
3	<ul style="list-style-type: none"> <li>▪ Benchmark local service provision</li> <li>▪ Identify good practice</li> </ul>	<ul style="list-style-type: none"> <li>▪ Other local authorities</li> <li>▪ Specialist agencies</li> </ul>
4	<ul style="list-style-type: none"> <li>▪ Consultation with young people</li> </ul>	<ul style="list-style-type: none"> <li>▪ Young people</li> </ul>
5	<ul style="list-style-type: none"> <li>▪ To agree review conclusions and recommendations</li> </ul>	

#### Stakeholders

5.4 A number of key informants have been identified whose participation would support the progress of the review. These are identified as:

- Young people
- Council Officers (Connexions, Youth Community and Participation Service, Haringey Guarantee, Benefits)
- Other local authorities
- Specialist support agencies and services that support young people (e.g. Princes Trust)
- Local businesses and local training centres

#### Assessing internal and external data sources

5.5 A range of information from a variety sources will be used to help meet the review objectives. It is anticipated that relevant services will provide financial, operational and evaluative data to assist panel members in their deliberations of support for workless young people.

5.6 The review will aim to draw on external research, policies and other service data where this will assist the review process. Analysis of national, regional and local performance data will be undertaken to inform the review. Comparative data from other local authorities may also be used to help panel members identify good practice, benchmark local services and identify local priorities for service improvement.

#### Panel Visits

5.7 It is proposed that panel members undertake a number of planned service visits to gain a practical insight in to the support services available for workless young people in Haringey or in other local authorities. Visits will be directed and agreed by the panel.

#### Community / Public Involvement

- 5.8 Community and public involvement is an integral part of the scrutiny process through helping to maintain local accountability. All scrutiny meetings are held in public at which, at the discretion of the Chair, local residents and community groups may also participate. To facilitate local community participation, particularly those of young people, it is proposed that (where resources allow) a number of the planned panel meetings are held at different community venues across the borough.

Independent Expert Advice

- 5.9 There have been many legislative and policy changes in the area of support for workless young people which make this a complex and dynamic area for review. In this context, the panel may wish to consider if their work would be assisted by the provision of independent expert advice which could “add value” to the review through a range of processes including:
- giving direct evidence to the Panel
  - impartial evaluation of service provision and advice on successful approaches and strategies that are used elsewhere
  - suggesting possible lines of inquiry for the panel
  - commenting on the final report and, in particular, the feasibility of draft recommendations.

APPENDIX A – Charts and Figures

Figure 1 – Number of unemployed people UK 1993-2010: age group.

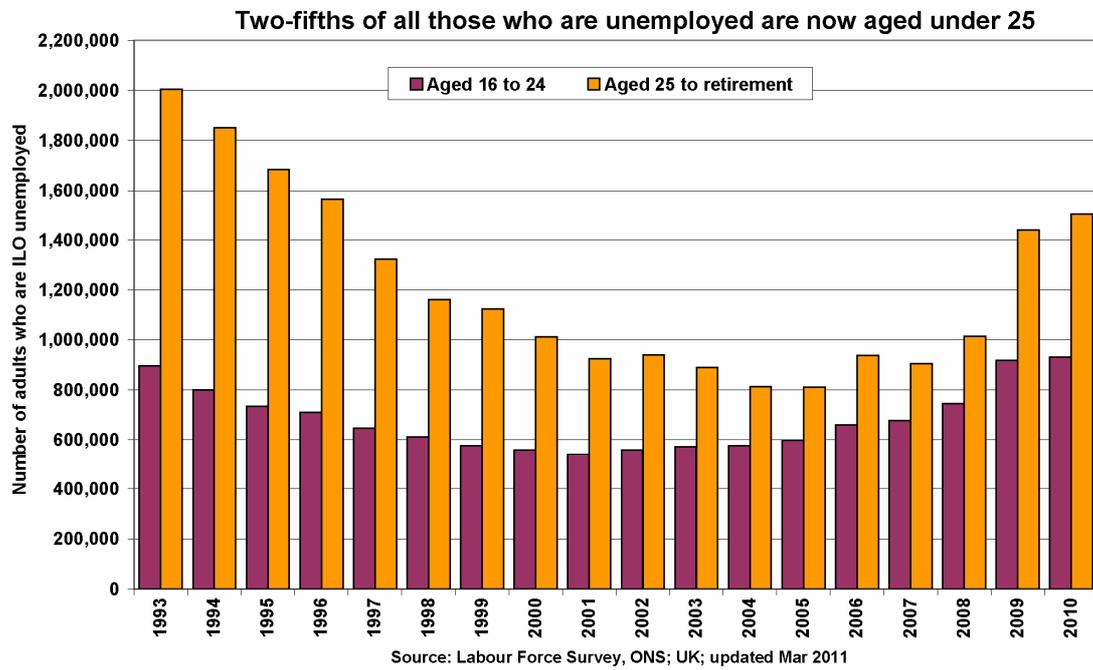
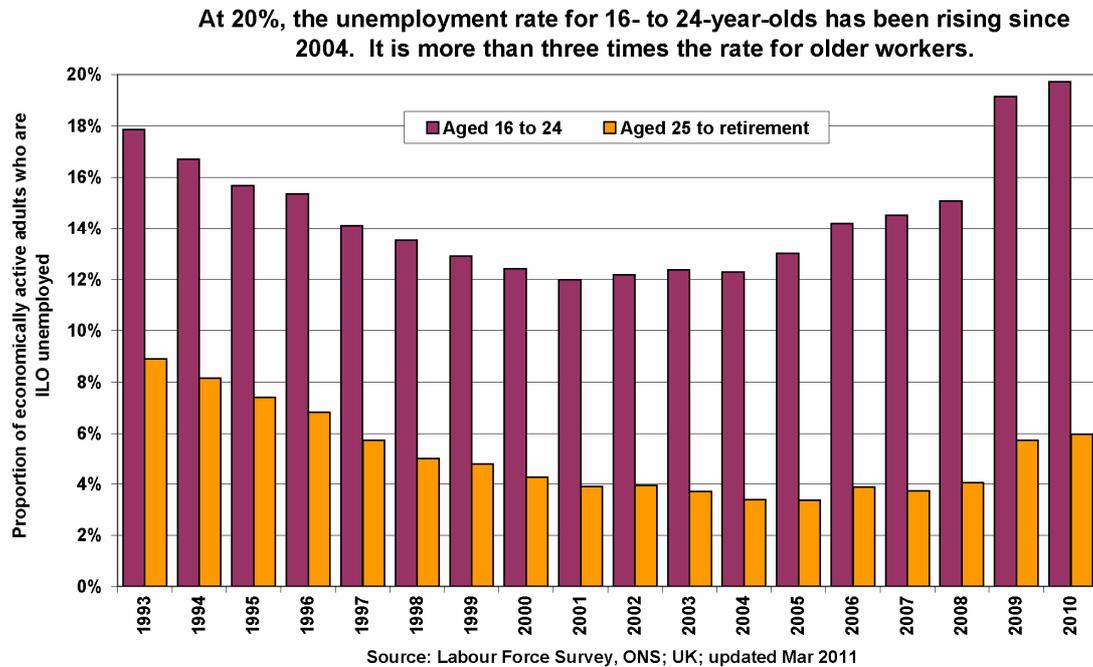
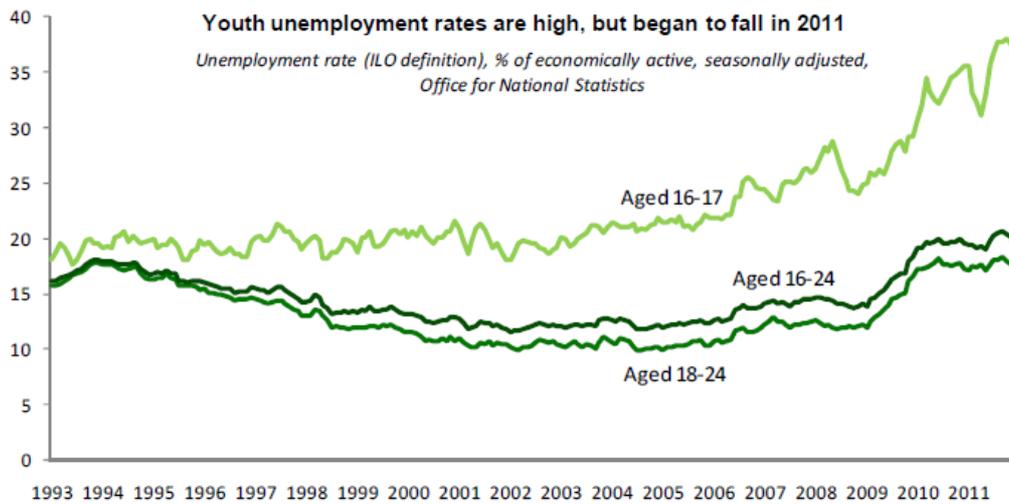


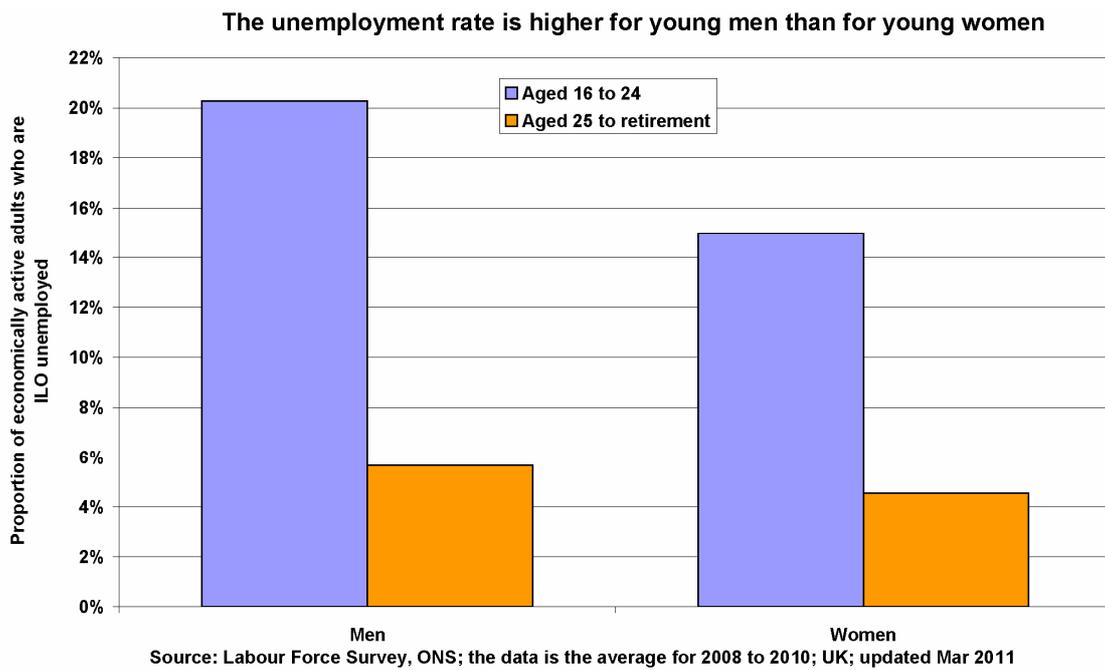
Figure 2 – Unemployment rate 1993-2010: age group



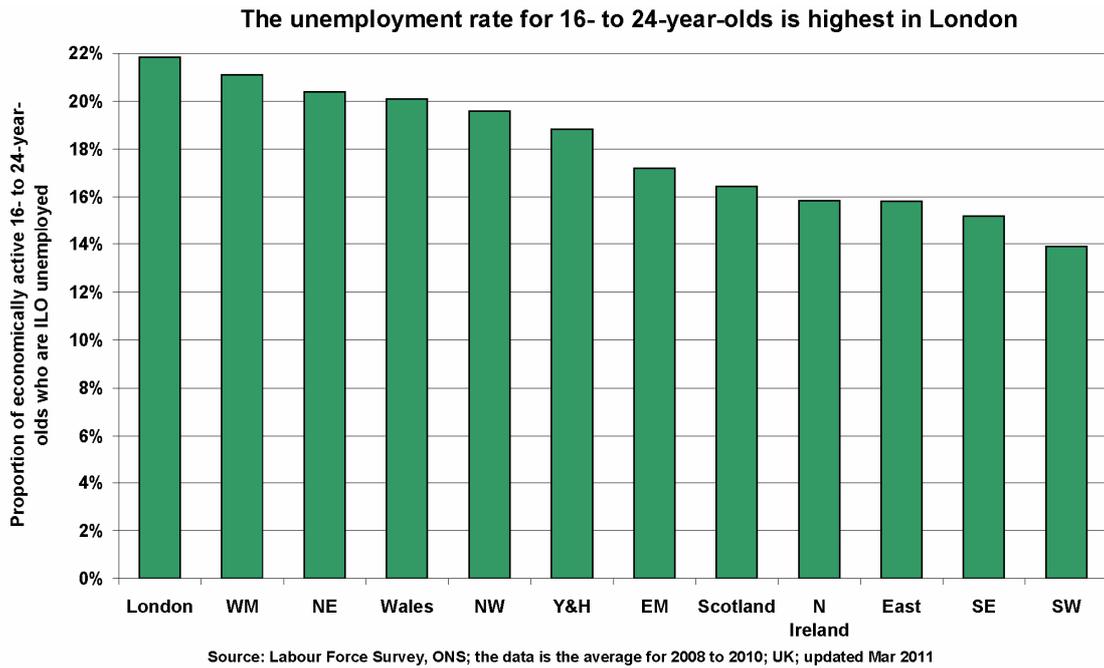
**Figure 3 – Age variations within youth unemployment (16-24 years)**



**Figure 4 – Gender variations within youth unemployment**



**Figure 5 – Regional variations within youth unemployment**



**Figure 6 – Comparing local, regional and national rates for claiming Job Seekers Allowance (%)**

<b>JSA Claimants aged 18 to 24 July 2011</b>				
	<b>Haringey</b>	<b>Haringey</b>	<b>London</b>	<b>Great Britain</b>
	<b>(level)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Total	2,175	10.9	7.4	7.5
Up to 6 months	1,735	8.7	5.9	5.8
Over 6 and up to 12 months	360	1.8	1.2	1.4
over 12 months	80	0.4	0.2	0.3

**Figure 7 – London variations for claimant rate for Job Seekers Allowance**

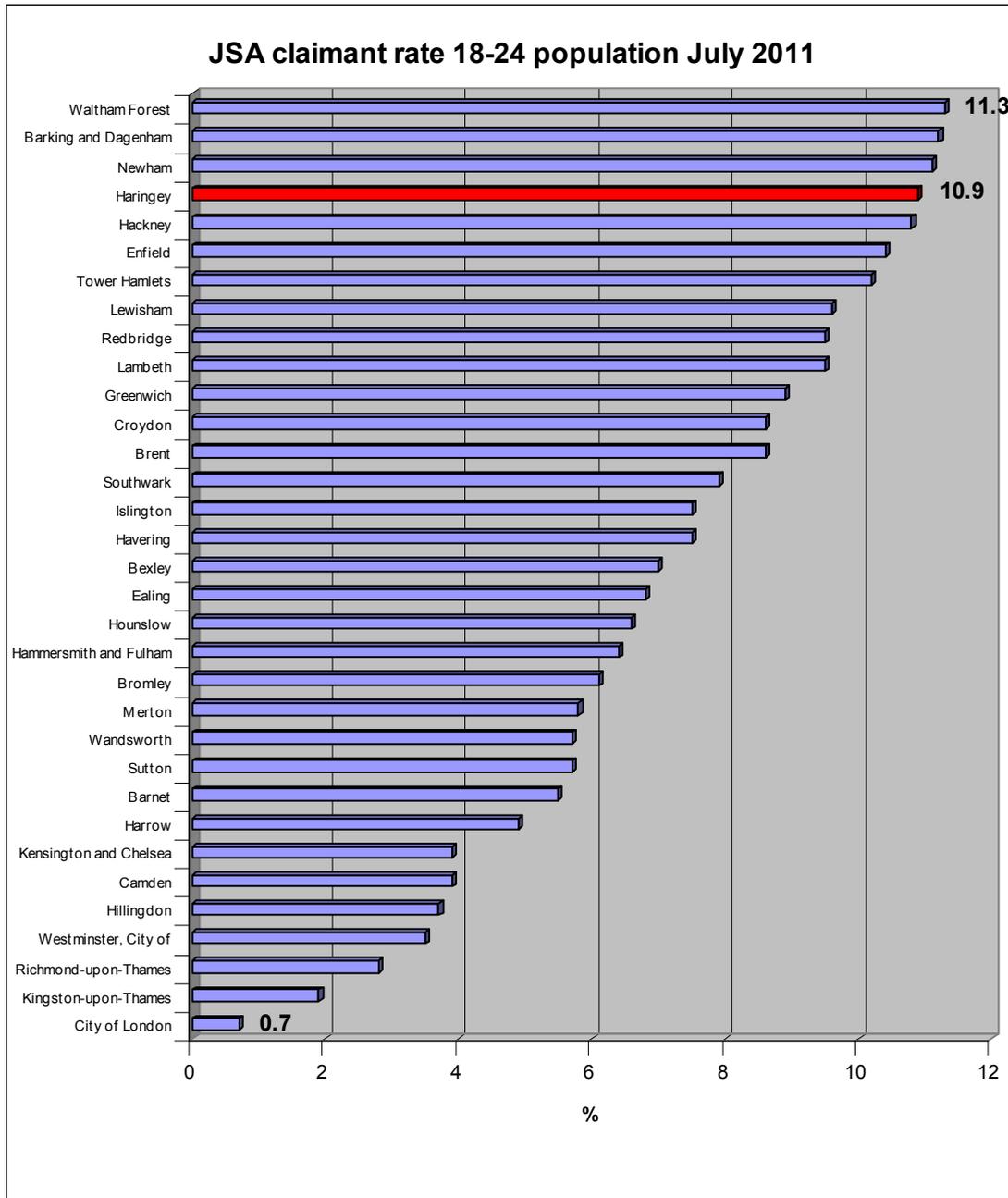


Figure 8 – Job Seekers Allowance Claimant Rate 2006-2011 (Haringey, London, GB)

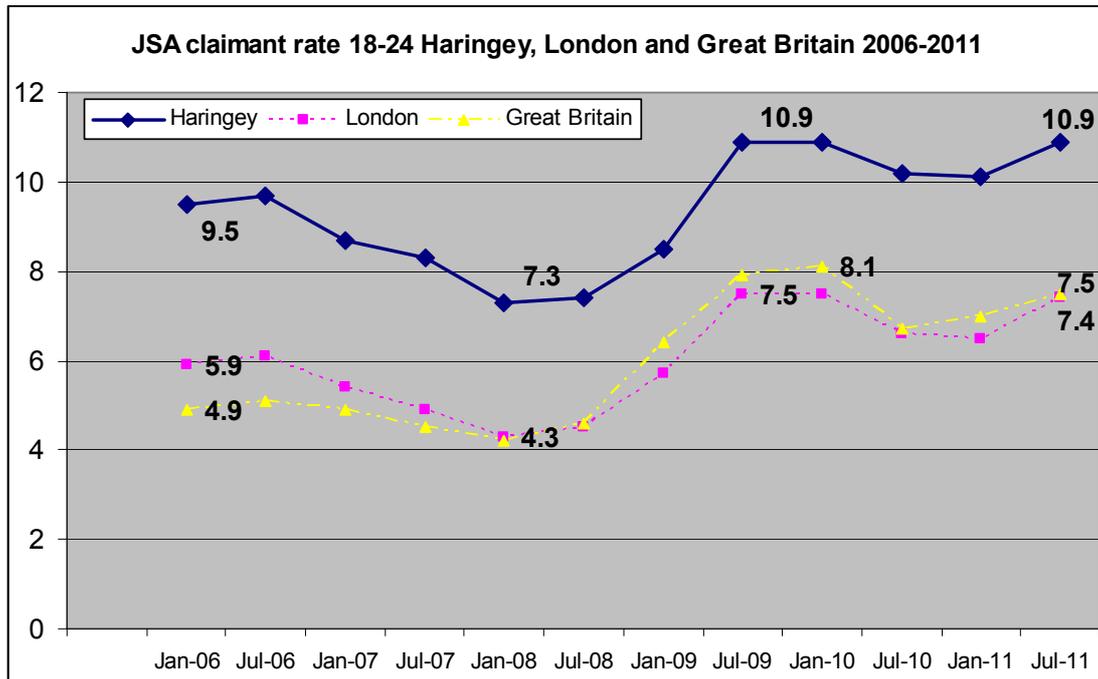
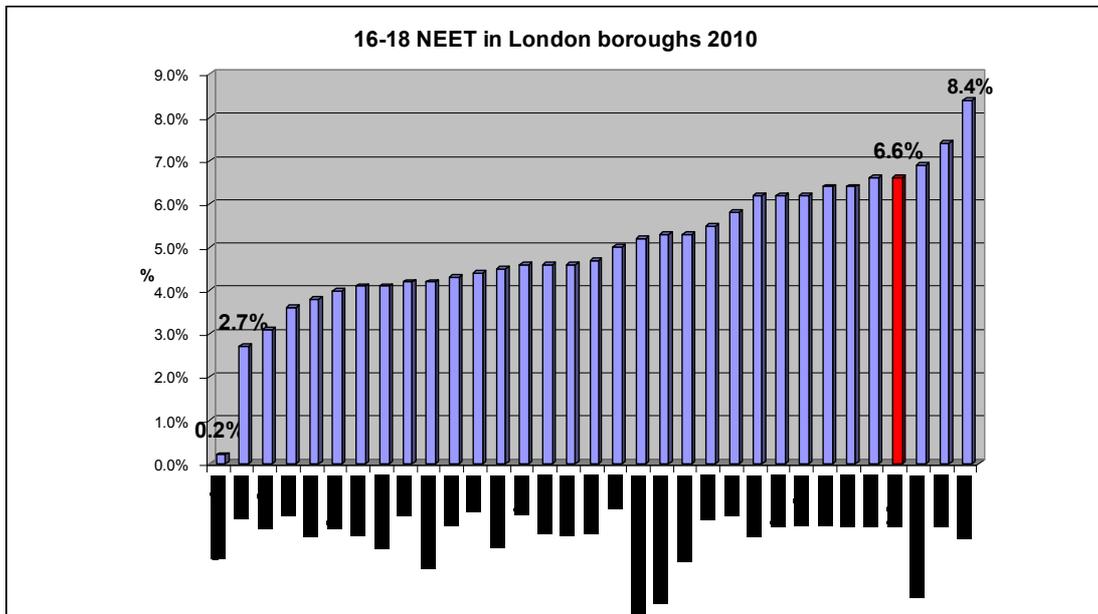
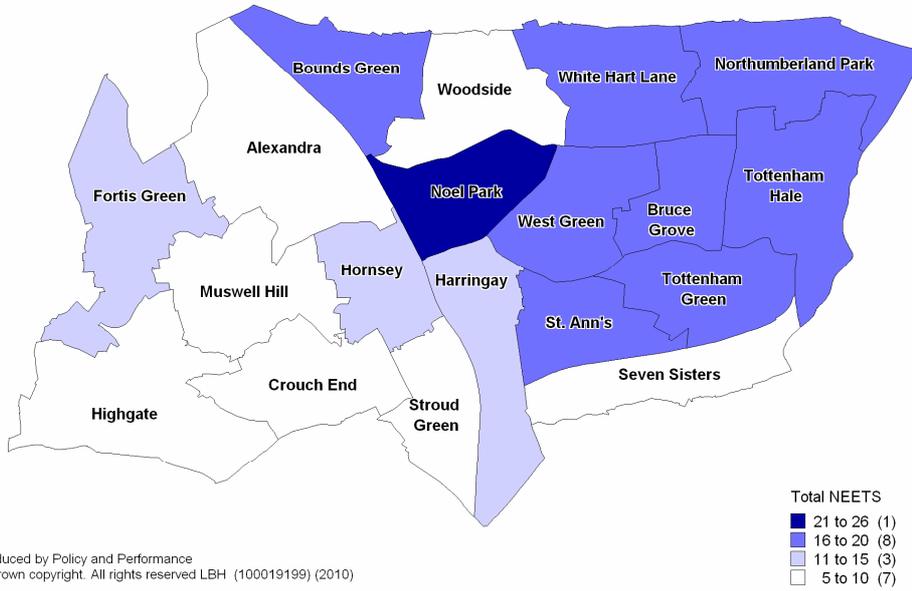


Figure 9 – Proportion of young people (16-18 years) not in employment, education or training (NEET) in London boroughs (2010).



**Figure 10 – Number of young people (16-18 years) not in employment, education or training (NEET) in Haringey local authority wards (2011).**

16 to 18 year olds not in education, employment or training (NEET)  
 Haringey wards  
 January 2011



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