



Haringey Council

Report for:	Overview & Scrutiny 29 April 2013	Item Number:	
Title:	Jobs for Haringey Update		
Report Authorised by:	Marc Dorfman, Assistant Director PRE		
Lead Officer:	Martin Tucker, Economic Development Manager		
Ward(s) affected: All	Report for Key/Non Key Decisions: Non-key		

1. Describe the issue under consideration

- 1.1** The Council agreed a new approach to worklessness at its Cabinet meeting in March 2012 to support four key objectives:
- support residents left behind by the Work Programme and other government schemes
 - boost the local economy by supporting Haringey businesses
 - have a strong focus on young people, in recognition of the particular challenges currently faced by young people entering the labour market
 - support young people to progress successfully through their journey from education into, training or further and higher education and work
- 1.2** The Council agreed a total investment in a new programme of £2m which included a £500,000 investment in a new tri-borough ESF employability and job brokerage programme and £1.5m investment in a new Haringey Jobs Fund job creation scheme. £600,000 had already been committed to delivery of employability support and job outcomes over 2 years 2012/13 and 2013/14 by the Council's in-house delivery team HEST based in Tottenham.
- 1.3** The new Haringey employment programme was launched in May 2012 – **Jobs for Haringey**. It complements the range of Government funded programmes operating in the borough – principally the Work Programme and SFA funded training provision



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– through **engaging and supporting those residents NOT eligible for these programmes.**

1.4 Jobs for Haringey currently comprises the Haringey Jobs Fund, an ESF Tri-borough programme North London Pledge 3 and the in-house Haringey Employment and Skills Team (HEST) delivery (see Appendix 1 for details) and will:

- Create up to **1,000 employability, skills and employment opportunities** for unemployed Haringey residents
- Support **200 Haringey residents into sustained employment** through a new tri-borough (Haringey, Enfield and Waltham Forest) ESF employment programme.
- **Support a minimum of 200 people into sustained employment** (for at least 26 weeks) through specialist Employability Support and Job Brokerage provision.
- **Create a minimum of 200 jobs** through the establishment of the Haringey Jobs Fund.

1.5 Jobs for Haringey targets priority groups to ensure that they can access and benefit from jobs created through the Jobs Fund and wider employment opportunities.

These groups are:

- **Young people aged 16-17** who are NEET and **not** receiving support from the Youth Contract.
- **Young people aged 18-24** who will not be eligible for the wage subsidy element of the Coalition Government's Youth
- **Residents furthest away from work who will not be supported by the Coalition Government's Work Programme** and who will need bespoke personalised support to gain employment.
- **Parents (including lone parents) and families** in need of support to find employment. (Childcare provision is a major obstacle/challenge in supporting parents back/into work. The Daycare Trust in its Childcare Costs Survey 2012 reported that the average of cost of 25 hours per week childcare in London is £126.80.)
- It also works with colleagues across services to support **those who are/will be impacted by changes in welfare including the housing benefit cap and overall Benefit Cap** to be introduced in April 2013. (Work is already underway with Jobs for Haringey running outreach sessions at Apex House every Monday and Wednesday and working with the housing consortia including Family Mosaic, Metropolitan Housing and L&Q, and separately Circle Anglia, to engage and support tenants.)

By March 2013 **490 residents were registered on the programme and 220 (44.9%) were supported into employment, 78 under 25 years old (35.5 %.) 42 new jobs have been created and filled under Haringey Jobs Fund - 33 by people under 25 (78.6 %.)** Targets and performance at Appendix 2.



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- 1.6 Cabinet Members have asked for a review of the Haringey Jobs Fund to ensure that the scheme was providing effective value for money and focussed on achieving the right outcomes for the citizens of Haringey. The Jobs Fund is subject to a moratorium at the moment with the creation of new jobs frozen but applications previously approved are being honoured. This review is ongoing.

2. Cabinet Member introduction

- 2.1 Jobs for Haringey has a number of strands aimed at taking a broad approach to tackling worklessness and supporting economic growth in the borough. The programme remains relatively new, with elements of the scheme have now been running for between 6 and 12 months. Data for progress to date shows the programme broadly on track. Jobcentre Plus and other agencies are actively referring their own jobseekers to the Jobs for Haringey programme, which makes clear the distinctive offer it makes.
- 2.2 Given the demand for the Haringey Jobs Fund element of the Jobs for Haringey programme and the level of investment, I instigated a review to look at how we best secure additionality and best value for money. We are currently in discussion with independent advisors, the College, Jobcentre Plus and other stakeholders to agree how best to focus this element of the scheme. I will be happy to provide an update to scrutiny when this is agreed.
- 2.3 As well as programme delivery, a priority is to better co-ordinate activity in the borough on jobs and unemployment. Unemployment is a policy issue which suffers from significant fragmentation in the way it is organised by Government. Following discussions with key partners, I will shortly be establishing a Jobs Board to provide a single point of strategic leadership on this issue. As part of this process, officers are currently looking at how the various delivery organisations can be better joined up to provide a more coherent, single approach. There is potential for Haringey to build a strong and innovative approach to tackling this vital issue.

3. Recommendations

- 3.1 That the Overview and Scrutiny Committee note this report**
- 3.2 That the Overview and Scrutiny Committee receive a report once the current review of the Haringey jobs Fund is completed.**

4. Background information

High and increasing unemployment is one of the greatest challenges facing Haringey - depressing growth and contributing to our status as the most unequal borough in the capital. Haringey has historically suffered from high levels of labour market deprivation and this has been exacerbated by the recession of 2008 and subsequent economic turbulence. (see Appendix 3 Labour Market Information)



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The Council is committed to tackling worklessness in the borough. After 5 years of successfully delivering the Haringey Guarantee the Council reviewed its approach to tackling worklessness taking into account the changed economic circumstances, rising youth unemployment and last years riots in Tottenham. A new programme was considered vital if we are to successfully regenerate Tottenham and improve opportunities for local people.

Council Priorities for 2011-14 included as Priority 1 Grow Local Jobs:

- To **grow local jobs – a job creation scheme** in partnership with private sector providing economic benefit both to local residents supported into work and local businesses increasing their workforce and output
- **Young People (16-25)** - Main target of new jobs scheme and related programmes – Haringey Guarantee and GLA ESF tri-borough programme - in working to reduce youth unemployment
- **Private Sector Growth** - The focus of all our worklessness programmes will be to promote/support private sector job creation. The Jobs Scheme will be in partnership with the private sector and will foster/promote job growth in the private sector.

In March 2012 the Council at Cabinet decided:

To agree an investment of £2.6m, to be match funded by £1.5m from the GLA and £500k from the European Social Fund, resulting in a total spend of £4.6m, into a programme that will support a minimum of 600 Haringey residents into sustained employment over a two/three year period.

To agree the £1.5m of the above investment to be dedicated to the establishment of a local Jobs Fund in partnership with businesses and attracting an equal amount of match funding to create a minimum of 200 sustainable jobs for local people.

To approve the draw down from reserves of the £2m approved as part of the Council's Medium Term Financial Plan at full Council in February 2012, allocated to the Haringey Jobs Fund; £1.5m, and for a Contribution to the ESF Tri-borough programme of £0.5m.

To approve the College of Haringey, Enfield and North East London (CHENEL) and the Haringey Adult Learning Service (HALS) as the preferred training providers for the jobs created from the Jobs Fund.

The cabinet report proposed a new approach and programme to tackle worklessness and that programme will need to work across the following strands of activity:

- Stimulate the local economy by supporting business growth
- Target support to help residents access jobs and opportunities
- Nurture a stronger culture of enterprise and self employment
- Supporting schools to prepare young people for work, employment and enterprise
- Challenge contractors and partners to contribute to local employment and skills



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- Develop a joint plan to deliver co-ordinated action

This would be achieved by principally through:

Launch of a new and innovative **Jobs Fund** that will be a unique product in the marketplace and will operate as a partnership approach with the private sector (with flexibility to include some parts of the public sector (e.g. schools) and the voluntary and community sector).

- a. For each new job that an employer pledges to create for Haringey residents, the Council will match fund (no more than 50%) the cost of the job.
- b. All employment offers will come with a **subsidised training package** provided by CHENEL and HALS (in line with Skills Funding Agency (SFA) requirements), to which the employer will need to make a contribution of around £1k.
- c. All jobs created through this fund will **be available firstly to young people aged 16-24** although there will be flexibility to also extend availability to older unemployed Haringey residents.
- d. The subsidy offered through the Jobs Fund will involve a payment structure that **incentivises businesses** to support the people they employ to continue to **sustain meaningful employment** and to **progress in the workplace**.
- e. Some 83% of businesses in Haringey employ less than 10 people and, as such, a major focus of this activity will be on engaging with SMEs (Small and Medium sized Enterprises) to support them create jobs through the Jobs Fund and also provide wider employment opportunities to local people.
- f. The businesses encouraged to create job through the Jobs Fund will be strategically targeted based on a number of key emerging and job rich employment sectors including:
 - Care (childcare and social care)
 - Computing and related services
 - Construction
 - Creative, cultural and digital (e.g. film, animation, music and design and advertising)
 - Education
 - Hotels and catering
 - Low carbon (e.g. retrofitting and solar panel installation)
 - Retail and distribution

Target support to help residents access jobs and opportunities

Providing support to the following priority groups to ensure that they can access and benefit from the jobs created from the Jobs Fund and wider employment opportunities:

- **Young people aged 16-17** who are NEET and **not** receiving support from the Youth Contract. The offer for these young people will include a pre-apprenticeship training scheme.
- **Young people aged 18-24** who will not be eligible for the wage subsidy element of the Coalition Government's Youth Contract (currently 83% of young people aged 18-24 claiming JSA in Haringey).



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- **Residents furthest away from work who will not be supported by the Coalition Government's Work Programme** (currently over 90% of out-of-work benefit claimants and 100% of people who are unemployed and not claiming benefits) and who will need bespoke personalised support to gain employment
- **Parents (including lone parents) and families** in need of support to find employment. (Childcare provision is a major obstacle/challenge in supporting parents back/into work. The Daycare Trust in its Childcare Costs Survey 2012 reported that the average of cost of 25 hours per week childcare in London is £126.80.)
- It also works with colleagues across services to support **those who are/will be impacted by changes in welfare including the housing benefit cap and overall Benefit Cap** to be introduced in April 2013. (Work is already underway with Jobs for Haringey running outreach sessions at Apex House every Monday and Wednesday and working with the housing consortia including Family Mosaic, Metropolitan Housing and L&Q, and separately Circle Anglia, to engage and support tenants.)

Having in place a range of **specialist employability and skills based support** that will be delivered by a range of organisations (this could include a combination of in-house and commissioned provision) and will include

- Confidence building
- Motivation
- Sector based and basic skills development
- CV preparation
- Interview preparation Support with job search and applying for jobs
- Job brokerage

Being involved a **tri-borough employment support programme** including Enfield and Waltham Forest Councils funded through European Social Fund co-financing (provided by the GLA) with the boroughs matching ESF finance.

Working with public and third sector partners to develop effective strategies to engage with the groups that have been identified as being priorities under this programme.

The approach and programme were agreed to address gaps in employment and skills provision identified in an analysis of provision included in the March Cabinet report.

5. Comments of the Chief Finance Officer and financial implications

- 5.1 The Council agreed a one-off sum of £2m budget to be spent across 2 years commencing in 2012-13 for a new programme tackling worklessness. Of this £500k was envisaged to match fund ESF monies and £1.5m was available for Investment in a new Haringey Jobs Fund. Any of this amount unspent in 2012-13 will be carried forward to 2013-14.



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Additionally there is a base budget of £300k per annum for delivery of employability support and job brokerage by the Council's in-house service.

6. Head of Legal Services and legal implications

N/A

7. Equalities and Community Cohesion Comment

7.1 Jobs for Haringey has equalities targets of 50% Of participants will be young people under 25, 50% women, 50% BAME, 10% disabled and 25% parents.

8. Use of Appendices

Appendix 1 – Jobs for Haringey Programme Outline

Appendix 2 – Targets and Performance

Appendix 3 – Labour Market Information



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Appendix 1: Jobs for Haringey

A new Haringey employment programme has been developed and launched in 2012/13 – Jobs for Haringey.

Jobs for Haringey currently comprises an ESF Tri-borough programme, Haringey Employment and Skills Team (HEST) delivery and the Haringey Jobs Fund, and will:

- Create up to **1,000 employability, skills and employment opportunities** for unemployed Haringey residents
- Support **200 Haringey residents into sustained employment** through a new tri-borough (Haringey, Enfield and Waltham Forest) ESF employment programme.
- **Support a minimum of 200 people into sustained employment** (for at least 26 weeks) through specialist Employability Support and Job Brokerage provision.
- **Create a minimum of 200 jobs** through the establishment of the Haringey Jobs Fund.

ESF tri-borough employment programme (North London Pledge)

A new Employment & Skills programme across Haringey, Enfield and Waltham Forest funded through councils revenues matched by ESF. This will run from June 2012 until June 2014. The **total value of the programme is £3m with the boroughs each providing £500,000 cash match funding (total £1.5m) with ESF providing £1.5m.** The programme focuses on ESF Priority 1.1 – Improving the employability and skills of the unemployed and economically inactive.

The overall objective and headline outcomes of the programme will be to **support 600 residents from the 3 boroughs (200 from each) into sustained employment lasting a minimum of 26 weeks.** Residents supported by the programme will be people who are not already on mainstream JCP or SFA programmes such as the Work Programme.

Haringey Employment and Skills Team (HEST)

As well as the support in offer from the ESF tri-borough programme, the Council has an in-house team, HEST, that provides additional support from day one of their time on the programme and also has a strong element of in work support to ensure that people supported into work are sustaining that employment for at least 26-52 weeks.

Haringey Jobs Fund

A new and innovative **Haringey Jobs Fund** that is a unique product in the marketplace and will operate as a partnership approach with the private sector (with flexibility to include some parts of the public sector (e.g. schools) and the voluntary and community sector).

For each new job that an employer pledges to create for Haringey residents, the Council will match fund (no more than 50%) the cost of the job. All employment offers will come with a subsidised training package provided by the College of Haringey, Enfield and North



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East London (College) and Haringey Adult Learning Service (HALS), to which the employer will need to make a contribution of around £1k.

All jobs created through this fund will **be available firstly to young people aged 16-24** although there will be flexibility to also extend availability to older unemployed Haringey residents.

The subsidy offered through the Jobs Fund will involve a payment structure that **incentivises businesses** to support the people they employ to continue to **sustain meaningful employment** and to **progress in the workplace**.

The Council is committing £1.5m to the Haringey Jobs Fund and the fund will seek to create a minimum 200 new jobs which could get up to 325 jobs.

A Programme Delivery Model and diagram showing how people go through the various stages of support on offer from Jobs For Haringey are provided below:

Programme Delivery Model

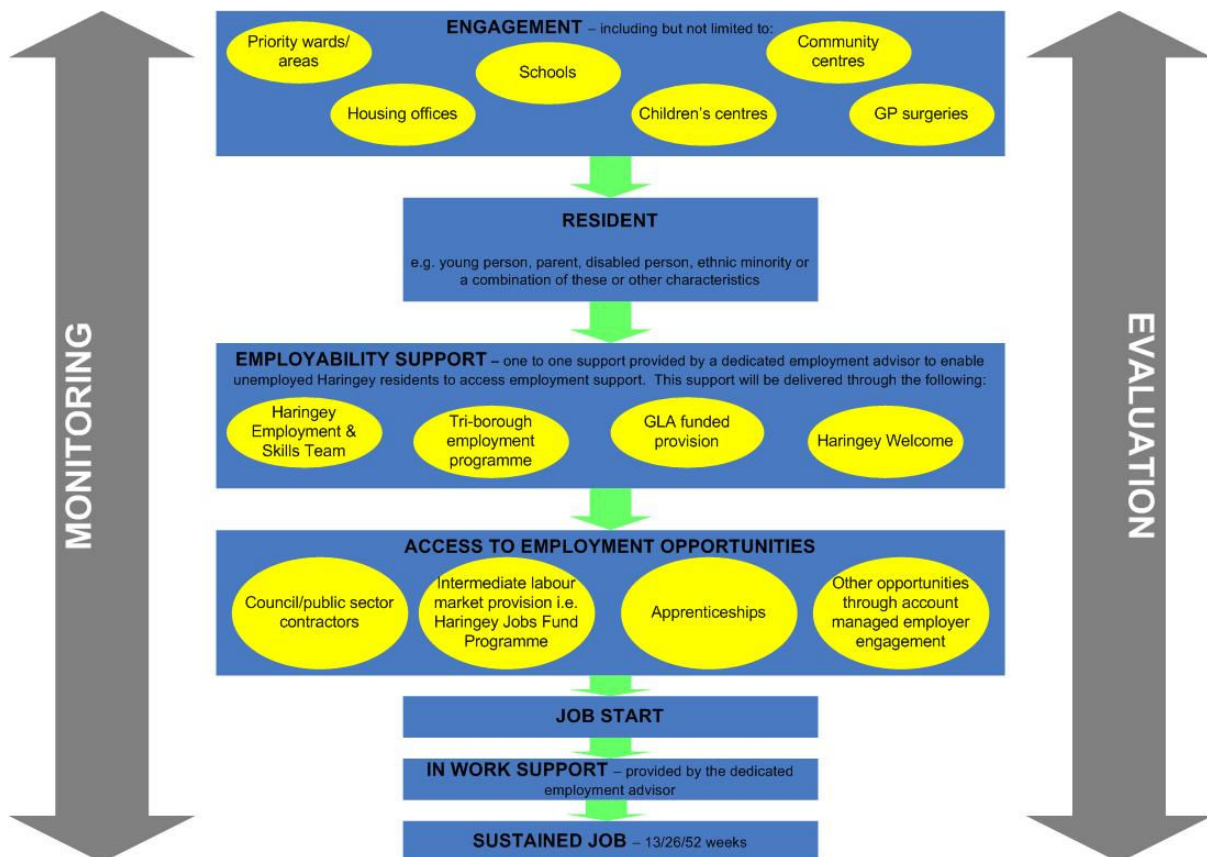
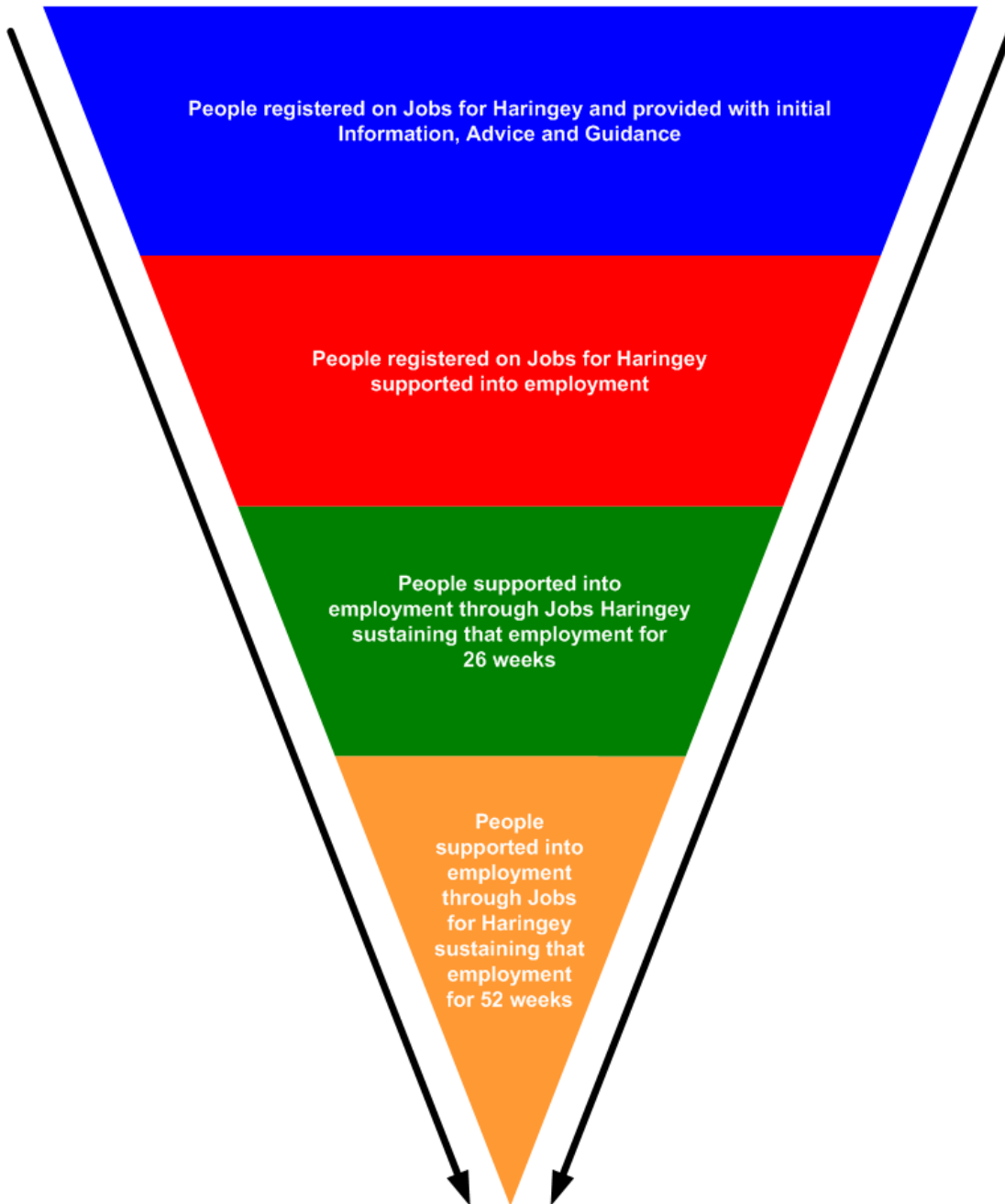


Figure 2



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Participant Flowchart





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Jobs for Haringey Employability Support

The first vital step in a local economic development programme with a strong focus on sustained employment outcomes is to engage, recruit, assess and prepare local unemployed residents for opportunities that will arise from initiatives and developments.

To ensure that local residents can access and benefit from the jobs created from the Haringey Jobs Fund and wider employment opportunities, it is crucial that this employability support is in place.

The overriding aim of the employability support that forms part of JFH is to engage “socially excluded” residents who are not currently on a mainstream welfare to work scheme such as the Work Programme and support them into sustained employment. These sustained employment opportunities will cover jobs created through the HJF but also non-HJF, and therefore non-Council part funded, jobs.

Some residents, particularly those living in the more deprived wards, can be excluded from mainstream activities, such as the labour market, by barriers to work. Barriers are often complex. Subsequently, residents may disengage from the legitimate labour market.

The DWP, via JCP, sets conditions for residents claiming Job Seekers Allowance that they must actively look for work or risk losing their benefit payments. If young people after 9 months, or older claimants after 12 months, fail to find a job, they are referred to a Work Programme provider (described in section 2) who provides more intensive support and greater scrutiny of job-searching, including the option of sanctions through loss of benefits.

However, many socially excluded residents not in legitimate employment do not claim benefits (estimate of 178,000 across London)¹. Other groups such as lone parents and disabled residents, or those with a long-term illness, are not required to look for work and there is little support for or engagement of these groups. These residents, outside of the labour market, are defined as “economically inactive” and include:

- Employment Support Allowance claimants – disabled claimants or those with a long-term health issue
- Lone parents with children under the age of 5 claiming Income Support
- Residents not claiming an out-of-work benefit but may be claiming other benefits such as Carers’ Allowance, Disability Living Allowance, Housing Benefit and Council Tax Benefit.
- Residents not claiming any benefits

The JFH service is targeted mainly at economically inactive residents. JFH Employment Advisers actively engage residents through community outreach and partnership work with other agencies in the Borough supporting residents.

¹ London Skills & Employment Observatory (2011) *Work Programme in London: Information for stakeholders as the Work Programme starts*



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Once engaged a person will be offered a range of employability support including:

- Information, Advice and Guidance to overcome barriers to work
- One to one support with exploring job goals, tailoring CVs and job applications, job interviews and work trials
- Voluntary work placements with local employers that do not affect any benefit claims
- Pre-entry and entry-level ESOL courses for residents who were born outside the EU and have lived in the UK for less than 10 years
- Clinical Health & Wellbeing advice and support in managing health conditions in the workplace
- Workshops in retail and customer service skills and UK business culture
- Support and careers advice from an employment advisor for up to 12 months after a person starts a job.

Jobs for Haringey provides wrap-around services such as voluntary work placements, vocational courses, workshops around preparing to start work, Health & Wellbeing advice, Adviser Discretionary Fund, transferring overseas qualifications and partnerships with other frontline services to help with specific barriers such as childcare, health, substance misuse, caring responsibilities, and housing, benefits, ESOL and mentoring etc.

This is vastly superior to the limited support available at Jobcentres:

- JSA interviews are normally very short² and the focus is on determining job-seeking activity rather than supporting it.
- Jobcentres don't offer job search support on a 1-2-1 basis or in groups but only access to "Jobs Points" (basically DirectGov in Internet access points within the Jobcentres).
- Jobcentre advisers do not have the capacity to provide extended support such as 1-2-1 or group employability support (CVs, applications, interviews etc.).
- Lone parents (Income Support claimants) and Employment Support Allowance (ESA) claimants, who are economically inactive only receive support from the Jobcentre once every 13 weeks

Further evidence of the superior support available from Jobs For Haringey is provided by the fact that since April 2012 JCP advisers have referred over 400 of their customers to the Jobs For Haringey programme.

To increase this number further, the Economic Development Service is in the process of arranging to present the Jobs for Haringey programme to the Jobcentre advisers and managers at both Wood Green and Tottenham jobcentres particularly to their IS (lone parents) and ESA teams. They will then arrange for us to "co-locate" at both Tottenham and Wood Green jobcentres where Jobs for Haringey Employment Advisers will sit alongside JCP advisers who can then hand-over customers to our advisers to provide this one-to-one employment support, wrap-around services and job opportunities.

² Typically JCP allocate **12 minutes for each meeting** with claimants/customers.



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Appendix 2 – Jobs for Haringey Targets and Performance

Jobs for Haringey Targets and Performance at March 2013 (final figures to be confirmed)

ESF from Oct 2012	2012/13	2013/14	2014/15	TOTAL	Performance 2012/13
Registrations	200	400		600	245
Work Placements	40	80		120	42
Job Starts	96	192		278	100
Sustained Jobs (26 weeks)	0	127	65	192	1
HEST from May 2012	2012/13	2013/14	2014/15		Performance 2012/13
Registrations	266	270		536	245
Job Starts	129	134		263	120
Sustained Jobs (26 weeks)	50	100	50	200	40
Haringey Jobs Fund from June 2012	2012/13	2013/14	2014/15		Performance 2012/13
Jobs created	50	150	125	325	42³
Jobs For Haringey TOTAL	2012/13	2013/14	2014/15		Performance 2012/13
Registrations	466	670		1136	490
Job Starts	225	326		541	220
Sustained Jobs (26 weeks)	50	227	115	392	40
Jobs created	50	150	125	325	42

Table 1

Equalities targets on the programme are:

	European Social Fund (ESF)	HEST/HJF	Performance 2012/13
Parents (including lone parents)	25%	25%	43%
Women	50%	50%	53%
18-24 years old	20%	50%	35%
Disabled	22%	10%	8%

³ Moratorium on this scheme with no new companies being recruited and no new jobs being created. Contracts being honoured with previously approved applicants.



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BAME	50%	50%	85%
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Appendix 3 Labour Market – The Scale and Challenge of Local Worklessness

Definition of worklessness

The definition of worklessness is wider than referring to unemployment. Whereas unemployment is a term that captures people who are actively seeking work or have sought work within a specified period of time, worklessness is a term that also captures people that are not actively seeking but would like to find work. Examples of people that may be workless include:

- People claiming an 'active' benefit such as Job Seekers Allowance (JSA).
- People claiming 'inactive' benefits such as Incapacity Benefit (IB), Employment and Support Allowance (ESA) and Income Support (IS)
- People with caring responsibilities
- People with a health condition or disability
- People seeking work but not claiming benefits

People who voluntarily take themselves out of the labour market (e.g. full time students and people who have taken early retirement) are not normally included in the definition of worklessness.

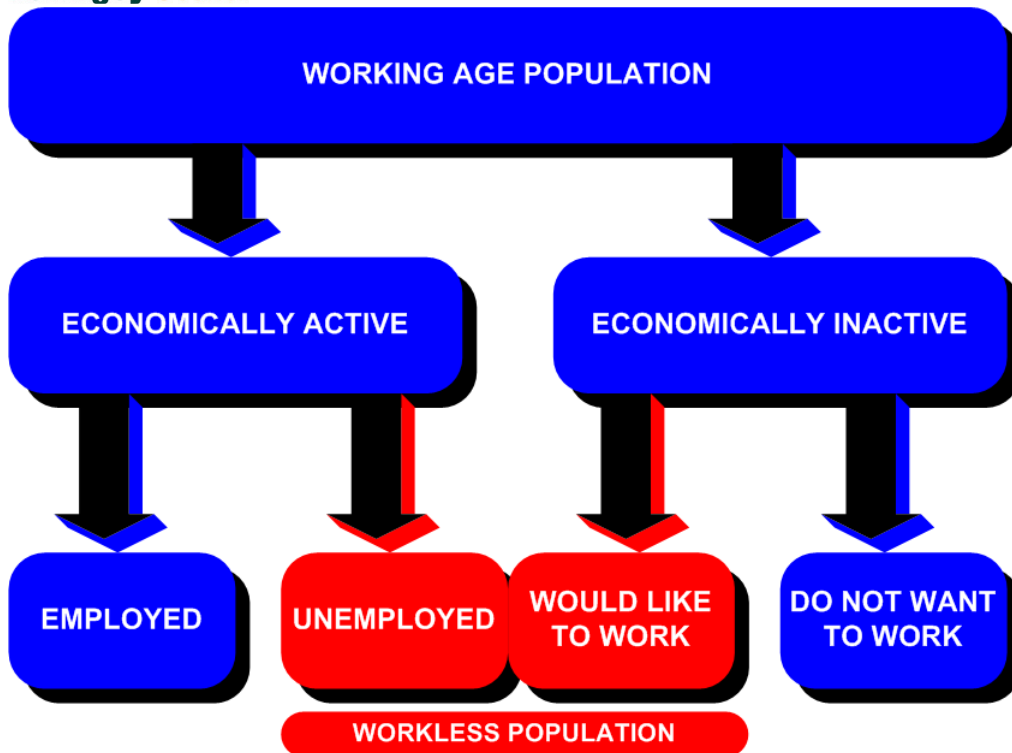
The diagram below provides a summary breakdown of the labour market.

Chart 1: Labour market breakdown⁴

⁴ Adapted from IDeA (2010) Work and skills plans draft guidance (report prepared by Shared Intelligence).



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The importance of tackling worklessness

The strength of a country's labour market is a key determinant of general economic performance. Indeed, before the recession the United Kingdom's (UK) robust economic performance was, in part, been due to the strength and flexibility of its labour market. One of the arguments put forward to explain why unemployment hasn't risen as fast as expected in the UK or as much as other major economies is because of the strength and flexibility of its labour market. However, in order to return to sustainable growth more needs to be done to tackle worklessness, particularly in areas where levels of worklessness still remain unacceptably high. In such areas, high levels of worklessness, as well weakening the local economy, can be the cause or effect of wider social exclusion issues such as: ill-health; crime, substance abuse, low educational attainment; child poverty; and family breakdown – all issues that will incur high financial and social costs.

The financial costs of worklessness cannot be underestimated. In 2011/12, £162.2m was spent on out of work benefit⁵ payments in Haringey, up by £13.7m since 2008/09; payments in London and England over the same period were £4.1bn (up by £367m since 2008/09) and £24.4bn (up by £2.3bn since 2008/09) respectively⁶. The impact on tax revenues also has to be considered. Freud (2007) estimated that the savings (including exchequer gains) related to moving an IB claimant into work are £9,000 with the equivalent figure for a JSA claimant being £8,100.

Scale of worklessness

⁵ Out of work benefits include: Job Seekers Allowance, Employment and Support Allowance, Severe Disablement Allowance, Income Support and Pension Credit.

⁶ DWP benefit expenditure statistics.

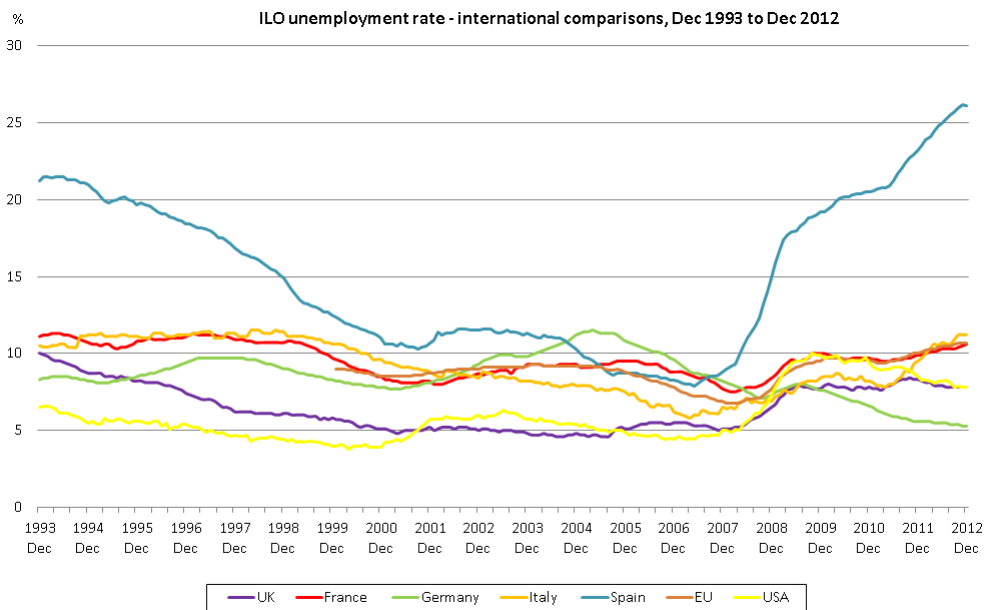


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The global credit crunch of 2008 halted 63 successive quarters of economic growth in the UK and sent the country into its first recession since 1990/91, and first double dip recession since 1975. Although the effect of the double dip recession on the labour market has been less than expected, it has still been significant.

ILO unemployment⁷ across the UK at the last count (October to December 2012) reached 2.50 million, 7.8% of the economically inactive population aged 16 and over. Although this is down 14,000 on the previous quarter and down 156,000 on a year earlier, it is 891,000 higher than immediately before the recession. Internationally, the UK unemployment rate is on par with the European Union (EU) average and while it's above the rates of countries such as the US and Germany, it is lower than other major European economies such as Italy and, in particular, Spain.

Chart 2: ILO unemployment rate – international comparisons, 2000 to 2011



Source: ONS

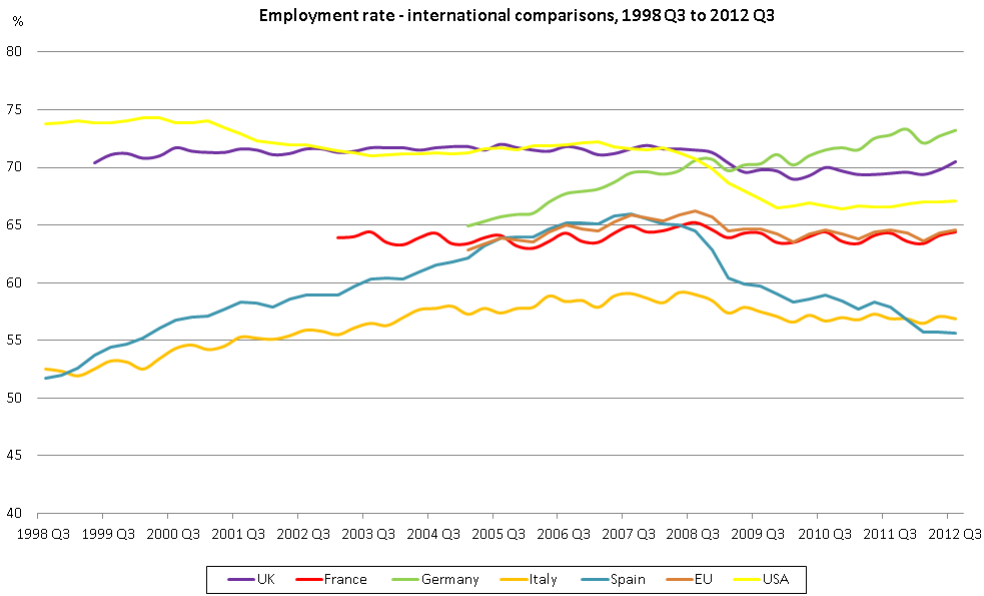
The number of people in employment across the UK has been rising despite the double recession, partly driven by population growth. The number of employed people currently stands at 29.73m, 71.5% of the population aged 16-64. This is up 154,000 on the previous quarter, up 584,000 on a year earlier and 322,000 higher than the figure immediately before the recession. Internationally, the employment rate in the UK is amongst the highest amongst developed economies although it does remain below the rates of nations such as Germany.

⁷ ILO unemployment is a measurement based on the International Labour Organisation's, a United Nations (UN) agency, definition of unemployment. Somebody is defined as being ILO unemployed if: they have actively looked for work in the last four weeks and are available to start work in the next two weeks; or they are out of work but have found a job and are waiting to start it in the next two weeks. This is a wider measure of unemployment than Job Seekers Allowance.



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Chart 3: Employment rate – international comparisons, 1998 Q3 to 2012 Q3



Haringey has historically suffered from high levels of labour market deprivation, even during the sustained economic prosperity of the late 1990s and early to mid 2000s, and this has been exacerbated by current economic conditions.

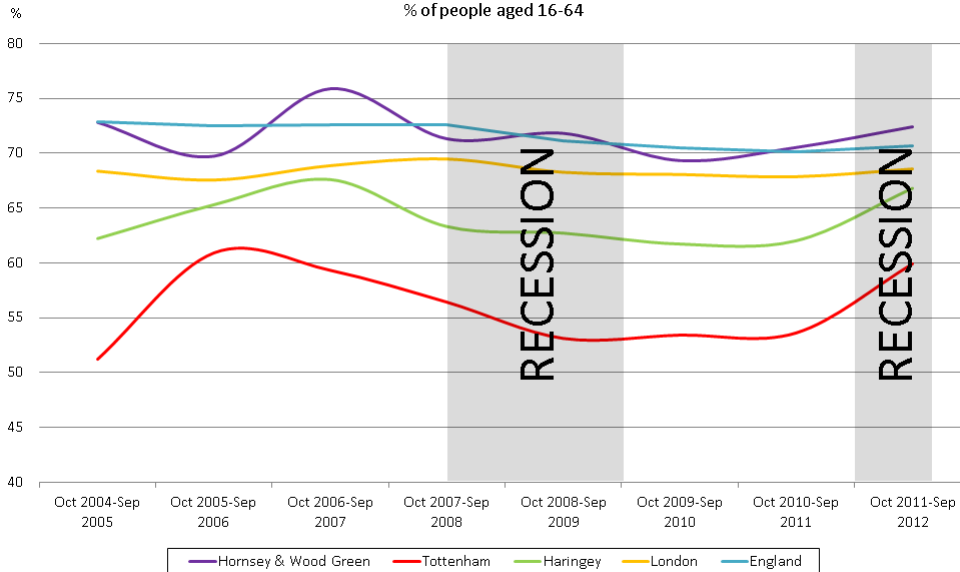
At present (October 2011 to September 2012), 66.8% of people aged 16-64 in Haringey are in employment, below both the London and England rates of 68.6% and 70.7% respectively. At no point since this data series began in 2004 has the employment rate in Haringey been higher than the rates in either London or England. In Tottenham the employment rate is even lower, at 55.9%, while the employment rate in Hornsey and Wood Green (72.4%) is higher than the national rate.



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Chart 4: Employment rate, Oct 2004-Sep 2005 to Oct 2011 to Sep 2012

Employment rate, Oct 2004-Sep 2005 to Oct 2011-Sep 2012
% of people aged 16-64



Source: Nomis

Despite strong job growth in London, of on average 70,000 a year before the recession⁸, the employment rate in the capital has been lower than the national average since the 1990s. Research suggests⁹ that much of the difference between London's employment rate and the rest of the country can be explained by: commuter patterns (i.e. people working but not living in London); a higher number of full-time students; and the fact that London has a disproportionate number of people who tend to suffer from labour market disadvantage, such as ethnic minorities, disabled people, lone parents, people living in social housing and people with low or no qualifications. These factors are estimated to account for approximately 90% of the difference between employment levels in London and the rest of the country; the remaining 10% is an unexplained phenomenon sometimes referred to as the 'London effect'. While it is not possible to get employment data for most groups listed above for Haringey, we do know the following:

- Haringey has a disproportionate number of these groups in its general population compared to the rest of London and England.
- The employment rate for ethnic minorities in Haringey is currently 56.1%, lower than the overall Haringey rate of 66.8% and the comparable rates across London (60.1%) and England (59.3%).
- The employment rate for disabled people in Haringey is currently 40.3%, lower than the overall rate of 66.8% and the comparable rates across London (46.3%) and England (49.4%).

⁸ HM Treasury (2006) *Employment opportunity for all: analysing Labour Market trends in London*: HM Treasury

⁹ See note 2 and Meadows, P (2006) *Working Paper 15: Worklessness in London – explaining the difference between London and the UK*: Greater London Authority



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This suggests that the evidence available to explain the difference between London’s employment rate and the rest of the country can also be applied to Haringey.

The previous Government had an aspirational aim to achieve full employment, equating to a national employment rate of 80%. To achieve this ambition in Haringey would require an extra 20,700 residents finding work, 14,080 of whom would come from Tottenham with the remaining 6,540 coming from Hornsey and Wood Green.

Table 1: Full employment analysis, Oct 2011-Sep 2012

	Current number of employed people	Number of extra employed people required to achieve full employment	Number of employed people required to achieve full employment	Increase (%)
Hornsey & Wood Green	63,300	6,540	69,840	10.3%
Tottenham	42,000	14,080	56,080	33.5%
Haringey	105,300	20,700	126,000	19.7%
London	3,718,200	615,800	4,334,000	16.6%
England	23,852,500	3,133,580	26,986,080	13.1%

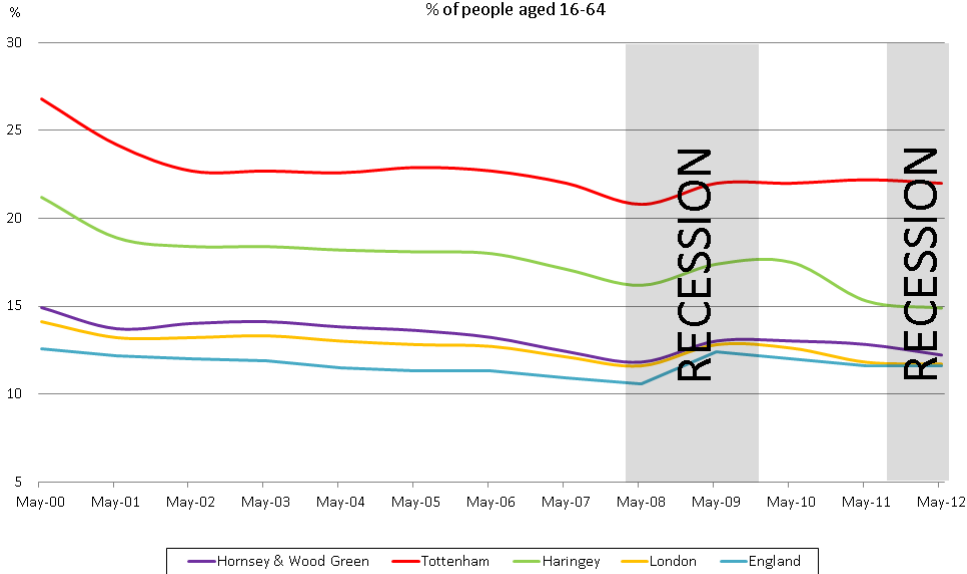
Alongside a low employment rate is high numbers of people claiming out of work benefits. At May 2012, 27,040 people in Haringey were claiming out of work benefits, representing 14.9% of the working age population. This rate is higher than the London and England averages of 13.7% and 13.2% respectively. The number of people claiming out of work benefits in Haringey remained relatively stable during the recession although this in part can be explained by various welfare reform introduced by the previous and current Governments; and while the out of work benefits claim rate in Haringey has fallen from 17.1% to 14.9% over the past 5 years this is largely due to a faster increase in the general population aged 16-64 relative to the number of out of work benefit claimants over this period.



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Chart 5: Out of work benefits claim rate, May 2000 to May 2012

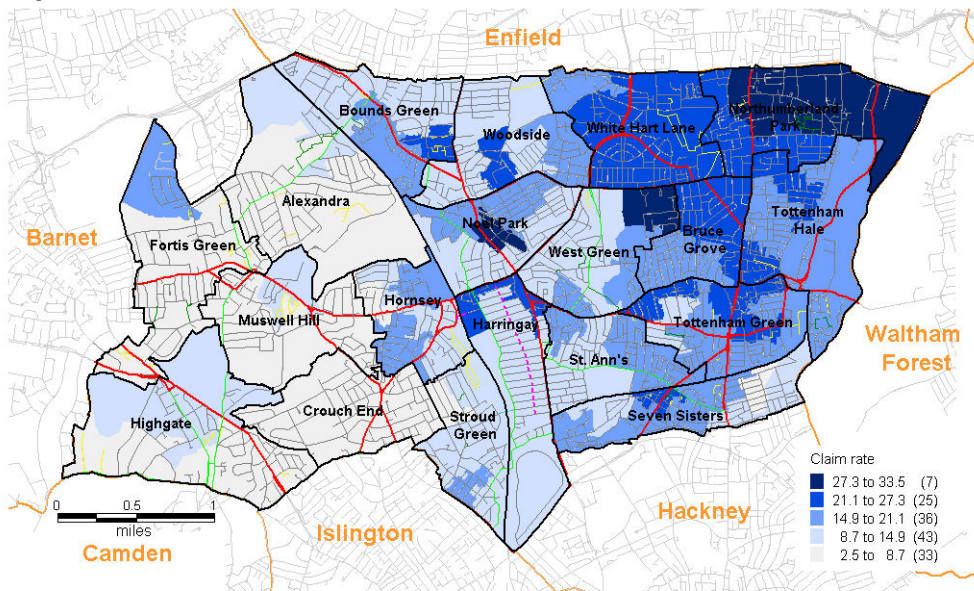
Out of work benefits claim rate, May 2000 to May 2012
% of people aged 16-64



Source: Nomis

Across Haringey, high concentrations of out of work benefit claimants are present in parts of Northumberland Park, Noel Park and West Green where the claim rate ranges from 27.3% to 33.5%. Northumberland Park ward, at 30.1%, has the highest out of benefits claim rate in the borough and the second highest in London (behind Harlesden ward in Brent).

Map 1: Out of work benefits claim rate, May 2012



Source: Work and Pensions Longitudinal Study
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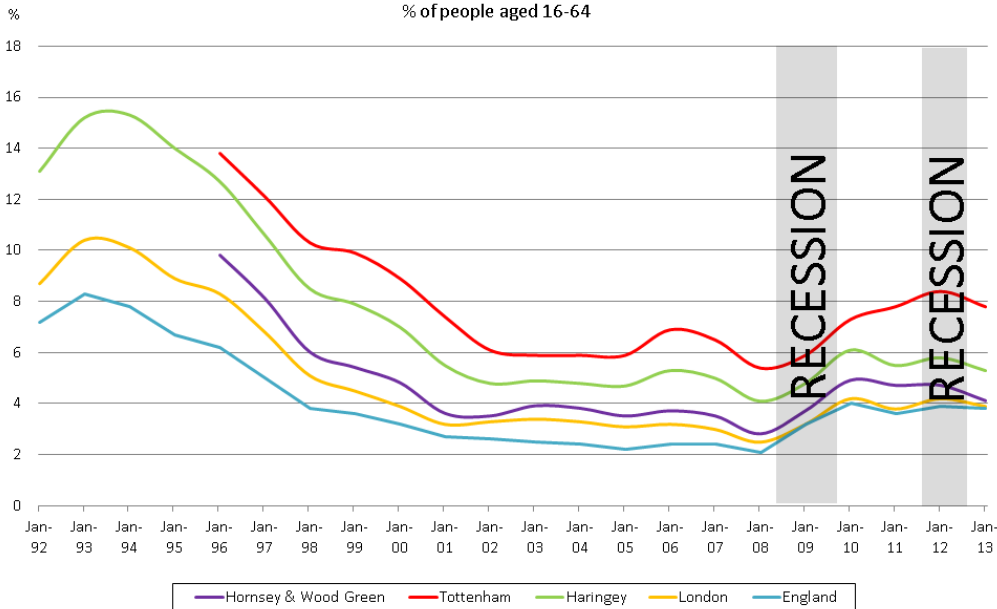
Haringey Council

There are three constituents of out of work benefits that have significant representation in Haringey: JSA and ESA/IB, which together account for 83% of all people in the borough on out of work benefits.

At January 2013, there were 9,568 JSA claimants in Haringey representing 5.3% of the population, which is higher than the London and England averages of 3.9% and 3.8% respectively. It should be noted that while the number of JSA claimants in Haringey has risen by over 3,000 since immediately before the recession, this is partly driven by welfare reforms affecting lone parents and IB claimants, and is lower than the level observed just after the previous 1990/91 recession – 18,435.

Chart 6: JSA claim rate, Jan 1992 to Jan 2013

Jobs Seekers Allowance claim rate, Jan 1992 to Jan 2012
% of people aged 16-64



Source: Nomis

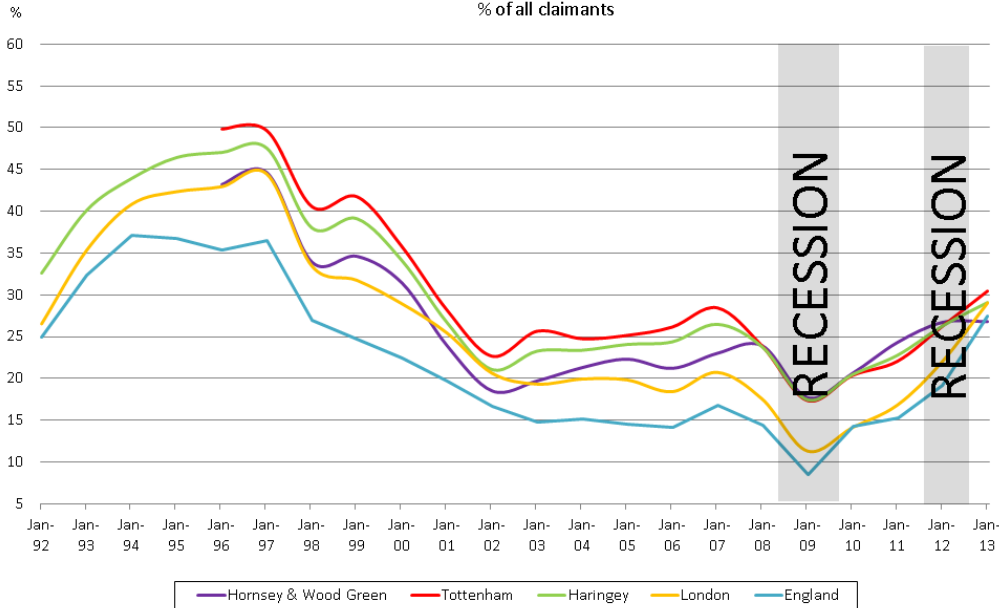
Although the number of JSA claimants has fallen by 8% over the past year, the number of long-term claimants, defined as people claiming JSA for over 12 months, has increased slightly by 1%. However, since immediately before the recession the number has increased more significantly, by 80%, as opposed to a 46% increase in the general JSA caseload over the same period. In London the number of long-term JSA claimants has increased by 180% and in England the comparable figure is 256%.



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Chart 7: Long-term JSA claimants, Jan 1992 to Jan 2013

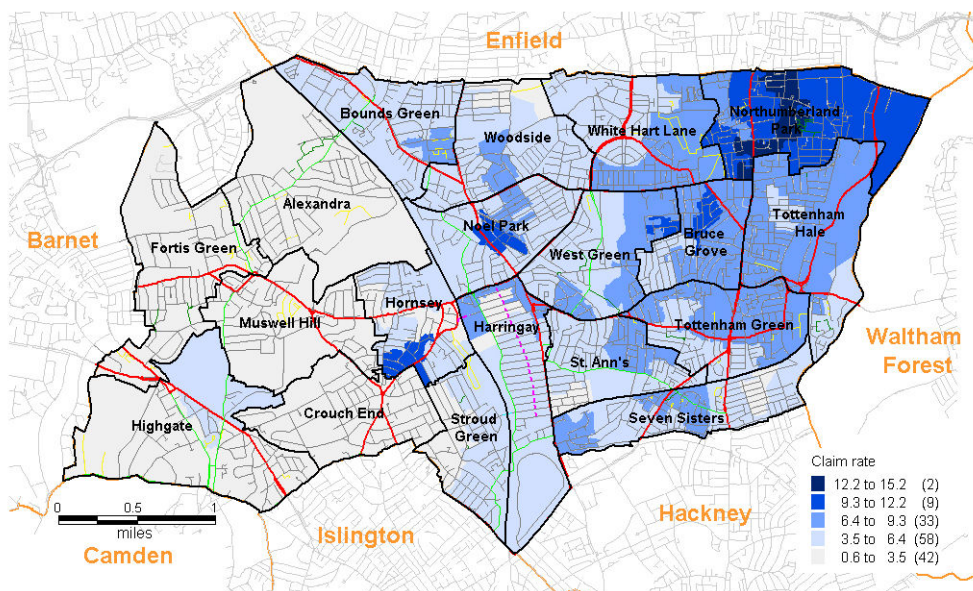
Jobs Seekers Allowance 12 months+ claimants, Jan 1992 to Jan 2012
% of all claimants



Source: Nomis

Across Haringey, the highest concentrations of JSA claimants can be found in parts of Northumberland Park where the claim rates range from 12.2% to 15.2%. The Northumberland Park ward has the highest JSA claim rate in Haringey and the second highest in London (behind Harlesden ward in Brent).

Map 2: JSA claim rate, January 2013



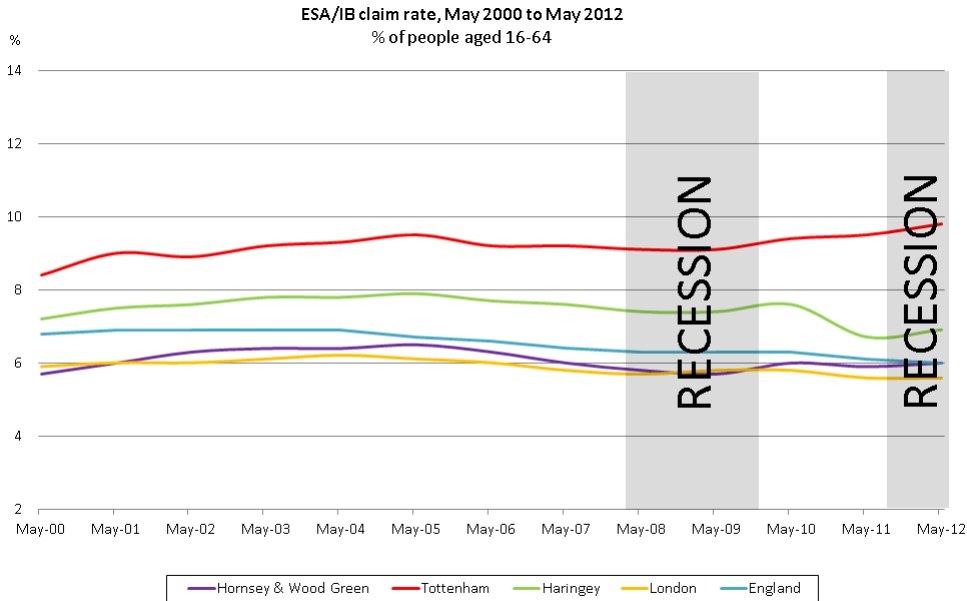
Source: Work and Pensions Longitudinal Study
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At May 2012, there were 12,460 ESA/IB claimants in Haringey representing 6.9% of the population aged 16-64 – higher than the London and England rates of 5.6% and 6.0% respectively. For a plurality of ESA/IB claimants in Haringey (46%), a mental health condition is the primary reason for their claim compared to 45% and 58% of claimants across London and England respectively.

Chart 8: ESA/IB claimants, May 2000 to May 2012

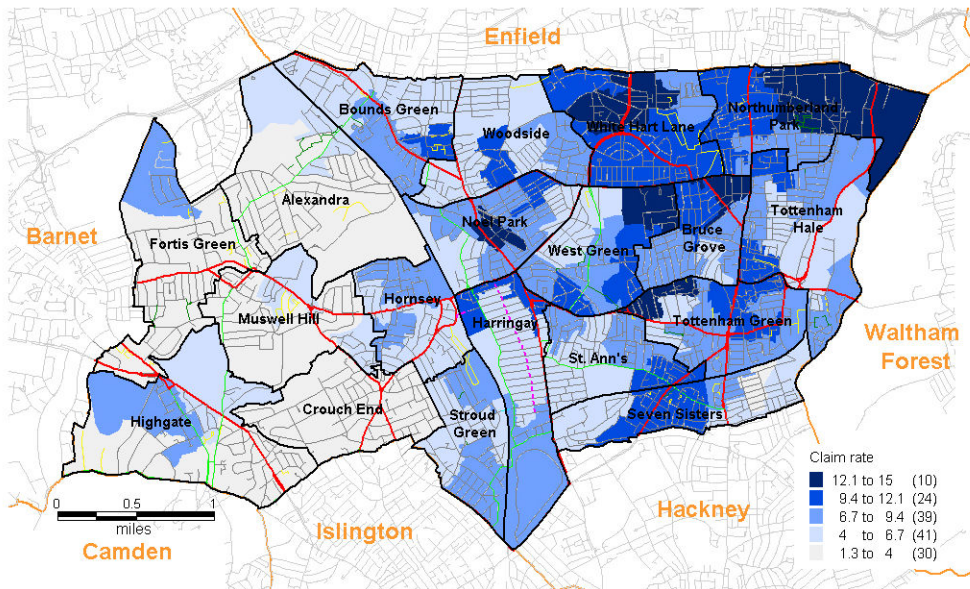


Across Haringey, the highest concentrations of ESA/IB claimants are found in parts of Noel Park, White Hart Lane, Northumberland Park, West Green, Bruce Grove and Tottenham Green where the claim rates range from 12.1% to 15%. Northumberland Park ward, at 12.3%, has the highest ESA/IB claim rate in Haringey and the second highest in London (behind Golborne ward in Kensington & Chelsea).



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Map 3: ESA/IB claim rate, May 2012



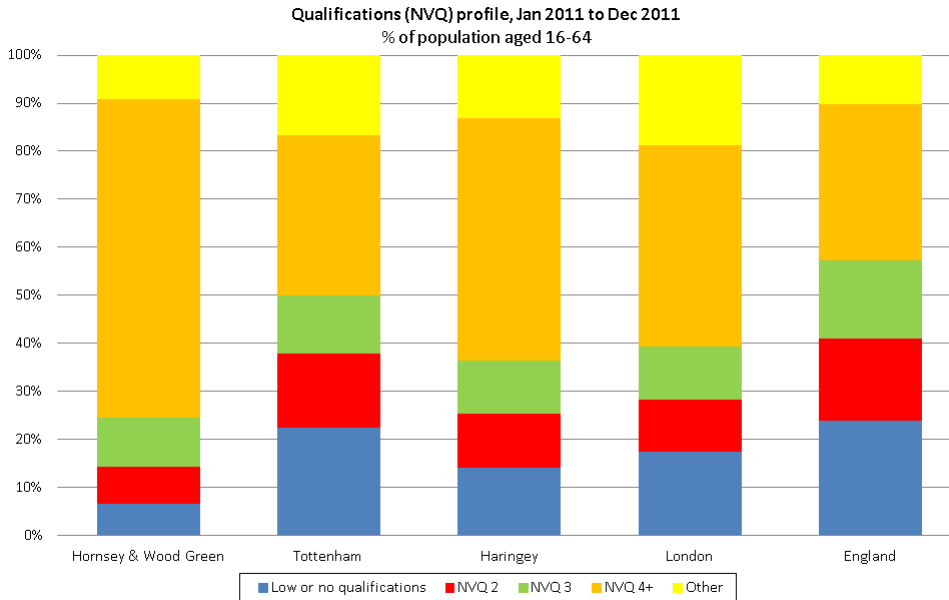
Source: Work and Pensions Longitudinal Study
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Some 14.1% of people aged 16-64 in Haringey have a NVQ level 1 or below qualification, lower than the London and England rates of 17.4 and 23.8% respectively. The competitiveness of the London labour market is such that the demand for high skills is increasing. The London Skills and Employment Board (LSEB) forecasted that by 2020 the demand for highly skilled workers in the capital will increase to the extent that 50% of employees will need an NVQ level 4 qualification¹⁰. Currently 50.5% of Haringey residents have at least an NVQ level 4 qualification higher than the London (41.9%) and England (32.7%) rates. However, this masks variations across the borough where 33.4% of Tottenham residents aged 16-64 have at least an NVQ level 4 qualification compared to 66.4% of people living in Hornsey and Wood Green.

¹⁰ London Skills and Employment Board (2007) *Globalisation, skills and employment: the London story*: London Skills and Employment Board.



Chart 9: Qualifications analysis, Oct 2011-Sep 2012



5 Youth Unemployment

Youth unemployment is one of the greatest challenges facing this country. Current figures (February to April 2012) show that there are 974,000 young people aged 16-24 who are out of work; when including young people who are economically inactive and not in full-time education this number rises to 1.673m¹¹. Although the double dip recession has contributed to a 42% increase in the level of youth unemployment since 2007, in the preceding 5 years youth unemployment increased by 20% suggesting that the challenge is structural as well as economic¹².

The challenge of youth unemployment is not only national but global. Currently 20% of young people across the UK are unemployed, similar to rates in countries such as France and the USA. However, in Spain, nearly half of all young people are unemployed with a significant spike since 2007 when the rate was less than 20%. In Germany, youth unemployment has actually declined since the credit crunch, although its economy has remained robust despite choppy EU and global economic waters.

¹¹ Source: Labour Force Survey

¹² See note 1.



Chart 10: Youth unemployment – international comparisons



The effects of unemployment on young people cannot be understated. They are more likely to:

- Be unemployed and welfare dependent in later life with the average young unemployed person spending an extra two months per year out of work by their late twenties.
- Earn £1,800-£3,300 less per year by their early thirties.
- Be affected by mental and physical issues.
- Get involved in anti-social behaviour¹³.

The burden that youth unemployment places on public finances is also significant. The total benefit bill in 2012 for youth unemployment at its current level is estimated to be £4.2bn with taxes forgone due to young people being out of work estimated to be £600m¹⁴. The total cost of youth unemployment, at its present level, in terms of lost economic output is estimated to be £6.3bn per year.

The data available about youth unemployment in and across Haringey is limited, which in turn limits the analysis that is possible of the characteristics of young unemployed people in the borough.

However, we do know that the number of young people aged 18-24 claiming Job Seekers Allowance (JSA) currently (January) stands at 1,805; this number is 13.5% higher than it was pre-recession but has fallen by 16% in the past year. The JSA claim rate for people

¹³ Source: ACEVO Commission on Youth Unemployment, 2012

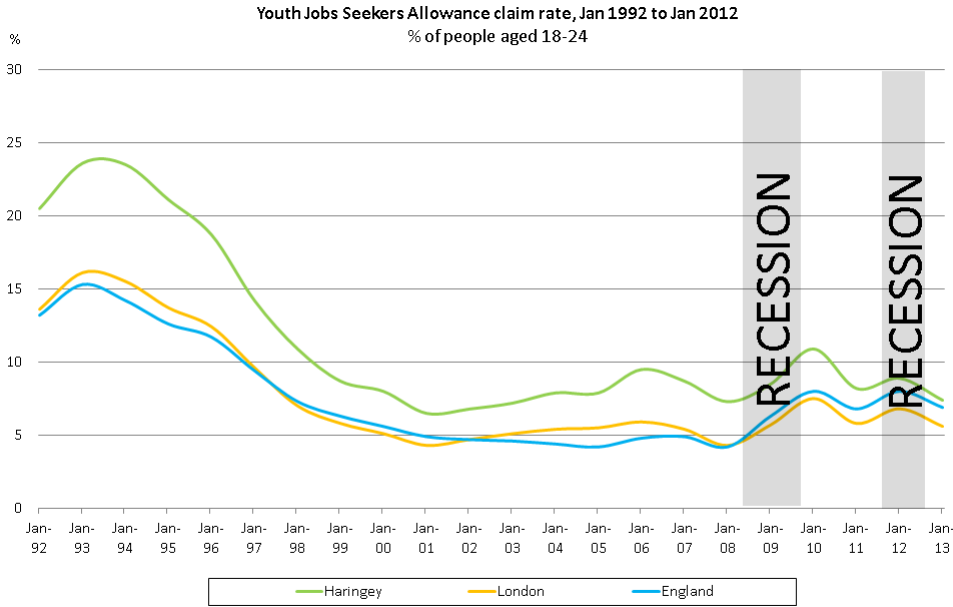
¹⁴ See note 10.



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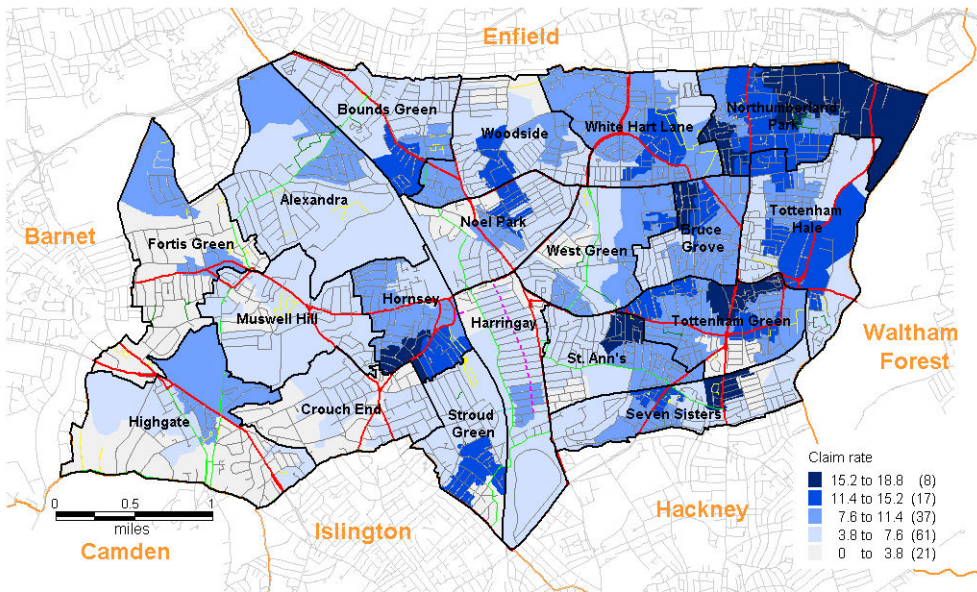
aged 18-24 in Haringey, at 7.4%, is higher than the London and England rates of 5.6% and 6.9% respectively.

Chart 11: Youth JSA claim rate, Jan 1992 to Jan 2013



Across Haringey, the highest concentrations of young JSA claimants are found in parts of Northumberland Park, Bruce Grove, Tottenham Green, Seven Sisters, St Ann’s and Hornsey where the claim rates range from 15.2% to 18.8%.

Map 4: Youth JSA claim rate, January 2013



Source: Work and Pensions Longitudinal Study
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Research done by the council's Economic Development Service in February 2012 found that the JSA claim rate for young (16-24) white¹⁵ JSA claimants was 4% compared to a rate of 11.2% for young people who are in an ethnic minority group. For young black JSA claimants the rate is even higher at 13.2% with further analysis by gender showing a claim rate 17.9% for young black males compared to 9% for young black females¹⁶.

At February 2013, 3.6% (265) of young people aged 16-19 were classified as NEET below the local target of 8.9%. However, it should be noted that the status of 18.4% of the cohort is unknown, significantly higher than the local target of 8.4%. The loss of Connexions has contributed to this large number of unknowns as there is now a much reduced capacity to engage with young people, track their destinations after leaving school/college and therefore support young NEETs, whose status is unknown, into education, employment or training. In terms of current NEETs, we know the following:

- 79.1% are actively seeking employment and training opportunities
- 78.4% have been NEET for 3 months or less
- 79.9% are from a non-White British ethnic group
 - 71.2% live in Tottenham and 28.8% live in Hornsey and Wood Green
 - The single highest number of NEETs live in White Hart Lane ward

¹⁵ Definition of white is: White British, White Irish and Other White

¹⁶ Analysis of December 2011 JSA data