

Cabinet response to the report of the Overview and Scrutiny Committee Task Group: 'Young People: Employment and Employability Against the Backdrop of Economic Recession and Recovery'

1. Context

The Overview and Scrutiny Task Group report was considered by cabinet members at their meeting on 4 November 2010. Cabinet welcomed the report as an important contribution in taking forward efforts to improve opportunities for Lancashire's young people and to increase access to a well qualified and skilled workforce by Lancashire's employers. Cabinet endorsed the report's findings, including its central recommendation that:

'Lancashire County Council should lead in developing a youth employment and employability strategy for Lancashire, pulling together the totality of the current effort and - jointly with partners - identifying opportunities to deliver more effectively and efficiently both:

- *An active, vibrant and productive youth, able to study and learn workplace skills*
- *A strong, sustainable local economy'*

What follows is the Cabinet's response to the Task Group report, outlining actions that are proposed in order to make the above recommendation a reality. It describes various strands that will need to be 'pulled together' within an over-arching youth employment and employability strategy, and sets out the key points of a rapidly changing policy context, which may present both opportunities and challenges to the achievement of this goal.

The need for concerted action is clear. Low qualification and skill levels, low aspirations and unemployment not only have a direct impact on the life chances of Lancashire's young people and their families; they also affect the local economy and employers' ability to tap new markets and emerging technologies. Recent national evidence (1) further indicates that young people who have been NEET have an increased risk of physical and mental health problems later in life.

The current economic climate is clearly difficult, at present, but Lancashire remains capable of generating around 40,000 new jobs over the next 10 years. We need to ensure that our young people and residents are capable of accessing the new employment and wealth creation opportunities that will be created.

It should also be highlighted that the work of the O & S Committee on this issue was also instrumental in leading the Cabinet to ask the Chief Executive to prepare a comprehensive framework on employment and skills that addresses not only the key needs of young people, but also the demands of the wider Lancashire economy. This work is now underway.

The remainder of this response identifies some of the key elements that will be included and considered from a young people's perspective within the emerging new framework.

2. Scope

i) Age range

As noted in the report, issues affecting the employment and employability of young people often have their origins much earlier in a child's life. There is much local and national evidence to indicate the impact on a child's life chances of factors such as poverty, family instability, poor physical and/or mental health, poor role models and low aspirations. Similarly, young people often continue to experience difficulties in finding and keeping a stable job well beyond the typical 'transition' age range of 16-18 that for some years has been the target of successive governments' efforts to address the 'NEET' issue. For these reasons, Cabinet is keen to see developments that cover an age range from birth to 25 years.

ii) Timescale

It follows from the above that the proposed strategy will need to support and sustain actions over a long period, if its aim is to be achieved. Long term targets (eg to 2025) are currently set by the county council for a number of priority areas which bear on this proposal. For example, the Children and Young People's Plan sets targets for the following performance measures and timescales:

Performance measure	By 2010/11	By 2025
NI 73 Achievement at Level 4 or above in English and Maths at Key Stage 2	81%	90%
NI 75 Achievement of 5 or more GCSEs at grades A* - C, including English and Maths	57%	Year on year improvement with rates better than the national average
NI 80 Achievement of a level 3 qualification by age 19	50%	70%
NI 102b Attainment gap between pupils eligible for free school meals and their peers achieving 5 GCSEs	27%	Year on year reduction with gap less than the national average
NI 117 Proportion of 16-18 year olds who are not in education, employment or training	5.8%	3%

Other directorates, services and partners will similarly have targets relevant to this theme. In developing a strategy on the employment and employability of young people, existing relevant targets may need to be reviewed and, where necessary, amended to give added impetus to new priorities and evolving policy.

iii) Extent of actions required

Both the Task Group and Cabinet acknowledge that an over-arching strategy on youth employment and employability must seek to address complex and long-standing issues. Actions must focus not only on remedial work with 16 to 19 year olds, but must also reflect the fact that barriers to achievement and progression often begin in childhood and may extend into early adulthood and beyond. Responses will also need to reflect inequalities across the county in terms of poverty, attainment and employment opportunity.

As well as the cost to Lancashire young people, its communities and employers, the economic rationale for action is illustrated in recent national research (2), which estimates the average 'lifetime resource cost' of a young person aged 16-18 being NEET (not in education, employment or training) to be £104,300. This represents the long-term cost to the public purse in benefits and reduced tax receipts. Local actions to improve employment and employability therefore have national as well as local economic benefits.

Achieving sustained improvements in employment prospects for young people implies bringing about changes in attitude and aspiration among some young people and their families, as well as in working practices and relationships between services and organisations. This again emphasises the long-term nature of the strategy, which must therefore reflect and influence models of delivery in 'early years' services and primary education, as well in secondary education and post-16 provision. The strategy should promote and facilitate collaborative working between providers of education, employment and training, youth support services, health services, the youth justice system, third sector organisations and Jobcentre Plus.

3. Partnership

By definition, the goal of a comprehensive approach to improving youth employment and employability can only be achieved through close collaboration between a range of services, organisations and providers. At a time of financial restraint and significant change driven by new government policy (eg Localism), this aim is both challenging and necessary. However, Lancashire already benefits from a range of effective partnerships and so is well-placed to take forward this agenda. In doing so, the county council acknowledges its role as the lead partner, but it must be stressed that the active engagement of *all* partners will be essential if significant progress is to be made. The strategy will need to put forward options likely to secure this broad ownership.

Numerous strategic and operational partnerships already exist and much good practice is evident between partners to address the needs of young people. Such collaboration helps to formulate responses to national and local

policy agendas, achieve a shared understanding of needs and issues, agree actions and timescales, efficiently manage resources, share ideas and resolve difficulties.

Examples of strategic partnerships that may be relevant to the youth employment and employability agenda include: the (revised) Lancashire Partnership, Lancashire Children's Trust Partnership, Local Children's Trust Partnerships, 14-19 Partnership, Lancashire Safeguarding Children Board, Local Strategic Partnerships and the Economic wellbeing Theme Group.

At an operational level, working arrangements between partners are often framed in partnership agreements or service level agreements. These set out the respective roles and responsibilities of each party, as well as timescales and outcomes. Examples include the partnership agreements that exist between the Young People's Service and schools, colleges, work-based learning providers and Children's Social Care.

A number of strategic plans structure the county's medium to long term direction, priorities and goals. These include Ambition Lancashire, the Children and Young People's Plan (currently under revision), the Lancashire Economic Strategy, the 14-19 Strategy for Learning, Early Intervention Strategy and the Teenage Pregnancy Strategy.

Under Corporate Scorecard arrangements, the Cabinet Committee on Performance Improvement has examined a number of areas where performance has fallen below the targets set in the National Indicator set. One of these (NI 117) relates to 16-17 year olds who are NEET, progress on which has suffered due to the slow economic recovery from recession. In response, a Performance Indicator Recovery Plan has been put in place, led by the Young People's Service but involving a wide range of partners to address the barriers facing specific vulnerable groups.

The Task Group report cites several examples of successful projects and initiatives that are models of partnership working on the employment and employability agenda. These include the award-winning Workstart/Future Horizons brand, Entry to Learning and V-talent. In addition, a decision is pending on the outcome of the county council's recent bid for ESF funding addressing NEET issues across the county - this too has enhanced partnership working at the heart of its delivery model and, if successful, will align closely with the aims of the proposed strategy.

The complexity of issues underlying youth employment and employability means that, until now, there has been no single forum or strategy with a sufficiently wide remit to address all the relevant factors. Cabinet therefore recommends that the revised Lancashire Partnership may be an appropriate vehicle to take on this task, co-ordinating the necessary educational, social and economic responses, setting goals and monitoring progress.

4. Data gathering and exchange

Ensuring that resources are deployed efficiently to meet the needs of young people and the local economy depends crucially on the availability of accurate data and the means of sharing appropriate information between partners.

Accurate data and analysis also help to foster a shared view between partners of the 'bigger picture' and so strengthen partnership activities and common goals.

Key elements of this data gathering and sharing infrastructure already exist.

For example:

- data regarding the support needs of looked after children are currently shared on a regular basis between Children's Social Care and the Young People's Service
- post-16 providers share data with the Young People's Service on enrolments and early leavers, allowing individuals' progress to be monitored and targeted support to be offered where needed
- the Common Assessment Framework is used to identify the additional needs of those aged 0-19 and to frame interagency co-operation between front line services, as outlined in section 10 of the Children Act 2004
- a wealth of data and analysis on educational, demographic, economic and employment topics is published by the Corporate Research and Intelligence Team
- The Young People's Service management information system carries data on approximately 150,000 Lancashire residents aged 13-24, providing statistical analyses of factors such as employment choices, qualification levels, progression routes, ethnicity, vulnerable groups and NEET 'hotspot' areas

There is detailed knowledge and experience within the county council and its partners on data protection and 'informed consent' issues. In many cases, formal data sharing agreements and protocols already exist. We expect that these could be adapted and extended to support the proposed strategy, whilst complying with current legislation and local policies.

Finally, we expect this strategy to benefit from developments in ICT resulting from the county council's strategic partnership with BT, enabling new modes of data exchange.

5. Careers Education, Information, Advice and Guidance (CEIAG) and Labour Market Information (LMI)

The provision of high quality CEIAG is vital in bringing about better outcomes for young people's employment and employability. Effective and timely CEIAG can help young people to better understand their own abilities and interests, gain realistic insights into the working world, provide motivation for higher academic achievement, raise aspirations and facilitate option choices.

Similarly, appropriate, accessible and up to date labour market information underpins good careers education and guidance and helps young people to make realistic choices based on firm knowledge. As noted in section 5 above,

much of the raw data already exists, and expertise is in place within the county council to develop this into a valuable teaching resource.

Given this importance, the strategy should explore new ways of supporting and strengthening the delivery of CEIAG and LMI. The evolving 14-19 curriculum has introduced a need for young people increasingly to make significant decisions affecting their futures at the age of 14. In view of this, and in line with increasing moves towards early interventions for those at risk of not progressing in learning, it may be helpful to promote better access to CEIAG and LMI in the lower school. Indeed there is a strong case to be made for encouraging improved access to an appropriate work-related curriculum in primary education (38 primary schools nationally are currently participating in such a project).

6. Branding

Given its complexity, it is recommended that consideration is given to the issue of branding the proposed strategy. Achieving a clear identity and communicating clear messages will be important in gaining commitment across directorates, services and organisations.

7. Some unknowns

At the time of writing, information is awaited on several national factors that will affect the implementation of this strategy. Significant among these are:

- i) the local government settlement for 2011/12 and its consequences for service funding and staffing levels
- ii) the introduction from September 2011 of an all-age careers guidance service, with implications for the funding of existing guidance services – ie those currently delivered by the Young People's Service
- iii) Changes in student financing and their potential impact on progression routes and progression rates - ie increases in tuition fees, the ending of EMA and the introduction of discretionary support funds for the most vulnerable
- iv) The development of 'Localism'

Decisions on the development of the strategy will need to take into account the emerging picture on these issues.

References

1. Maryon-Davies, A (2009): *Tackling health inequalities: the rise of the NEETs*, Improvement and Development Agency for Local Government
<http://www.idea.gov.uk/favicon.ico>