

**Economy and Enterprise  
Overview and Scrutiny  
Committee**



**29 September 2015**

**Youth Employment Initiative  
(YEI) - Update**

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**Joint Report of Lorraine O'Donnell, Assistant Chief Executive and  
Rachael Shimmin, Corporate Director Children and Adult Services**

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**Purpose of the Report**

1. To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with background information on the Youth Employment Initiative (YEI) prior to an update presentation by Linda Bailey; Strategic Lead: Progression and Learning; Children and Adult Services.

**Background**

2. Members will recall that at the Economy and Enterprise Overview and Scrutiny Committee held on the 10 September 2013 an overview presentation was provided to Members on the EU Structural and Investment Funding Programme 2014-20 which included some detail in relation to YEI.
3. It was requested by members at that meeting that the committee receive a presentation on YEI at a future meeting as this was the first strand of EU funding available to be accessed. Arrangements were therefore made for an overview presentation to be provided to the committee focusing on YEI at the meeting on 22 January 2014 with a further update provided at the meeting on the 30 October, 2014.
4. As part of the refresh of the work programme for 2015/16 members requested that a further update be provided detailing the progress/development of YEI within County Durham. Arrangements have therefore been made for Linda Bailey; Strategic Lead: Progression and Learning to attend the meeting on the 29 September to deliver a presentation focusing on:
  - How much YEI funding has been allocated and who will benefit;
  - The current data re: youth unemployment in County Durham;
  - Research into the views of young people who are unemployed;
  - Durham County Council led partnership application – DurhamWorks;
  - Next steps.

## **Allocation of funding for County Durham**

5. The YEI has been created by the European Council to tackle youth unemployment across member states. The initiative is directed at 15-24 year olds who are unemployed or inactive. Funding cannot be directed at young people who are engaged in full-time education.
6. In the United Kingdom, eleven areas have been identified as being eligible for this funding, including County Durham and Tees Valley in our region. In terms of timescales, delivery of YEI is due to commence in October 2015 and will continue until July 2018.
7. The total funding available to support unemployed young people resident in County Durham is £17.87m. This consists of £6.7m YEI funding, £6.7m from the European Social Fund, and £4.47m of required match funding. The value of this funding is not yet fixed due to the continuing fluctuation of the Pound Sterling to Euro exchange rate.
8. It was originally envisaged that the required match funding would be provided by the Department for Work and Pensions (DWP) and/or the Skills Funding Agency (SFA). However, DWP indicated that it would be unable to provide match funding in 2014 and the SFA withdrew its opt-in in February 2015. Following the SFA's decision not to provide match funding for County Durham, the Local Authority decided to lead a partnership bid out of concern that the funding could be lost to County Durham.

## **The process for commissioning the Youth Employment Initiative**

9. The Department for Work and Pensions (DWP) is the Managing Authority for ESF and YEI. It is responsible for writing YEI specifications; managing the bidding process; assessing and approving bids; contracting and performance managing YEI projects.
10. DWP issued a call for outline YEI applications to be submitted by 22 May 2015. Following a technical assessment of outline applications undertaken by DWP (including feedback from ESIF Regional Sub Committees), successful organisations were subsequently invited to submit full applications by 4 September 2015. In relation to County Durham, the Local Authority's outline application is the only one to successfully progress to the next stage of the process. Therefore, Durham County Council has submitted a full application and is awaiting a decision from DWP. No timescale has yet been published as to when a decision will be made.

## **DurhamWorks Programme**

11. Following the decision of the Local Authority to lead a partnership bid, extensive efforts were made to identify the required amount of match funding. As a result, a proportion of funding has been identified in Durham County Council from Progression and Learning, the One Point Service, Public Health, Regeneration and Economic Development, and the Youth Offending Service.

12. In addition, a proportion of match funding has been identified from a range of external delivery partners, including the voluntary and community sector; charitable trusts and foundations; further education colleges; independent learning providers; and housing providers.
13. The programme will be called DurhamWorks and it has been developed following an in-depth process undertaken with partners to:
  - Analyse local needs and opportunities;
  - Identify best practice and gaps in existing delivery;
  - Consult extensively with young people and employers;
  - Consider innovative ideas to address youth unemployment.
14. There are 18 external organisations and 4 Durham County Council services who are the Delivery Partners within the DurhamWorks bid. These Delivery Partners form an integral part of the programme and they will use their expertise to deliver the strands below:
  - Strand 1: Transition, Peer Mentor and Employment Support - provision of individual guidance and support for young people, over a sustained period of time using Transition Advisers, Peer Mentors, Youth Employment Advisers and Progression Workers is a key feature of the DurhamWorks programme. These support workers will provide on-going advice and support to unemployed young people looking to progress into employment, training or learning. In addition, Business Advisers will provide support for employers to recruit and employ young people.
  - Strand 2: Engagement and Progression of Vulnerable and Disadvantaged Groups – DurhamWorks will incorporate programmes specifically tailored to help vulnerable young people who have multiple barriers to their progression (e.g. young people with Special Educational Needs and Disability, young people who offend, care leavers). These programmes will involve innovative activities to engage and motivate young people and support the development of their confidence and resilience. Other activities will develop employment related skills and provide work experience to enhance employability. A separate strand of activity will support disadvantaged young people who are living in deprived areas, are experiencing rural isolation or have been economically inactive for a longer period of time.
  - Strand 3: DurhamWorks New Employment Zone – DurhamWorks will create employment, Apprenticeship and Traineeship opportunities and work experience through employer engagement and the provision of one to one recruitment and ongoing mentoring support for employers. In addition, it will also create alternative routes into employment and training by developing social enterprises, self-employment and volunteering opportunities.
15. These activities aim to engage approximately 5,500 young people resident in County Durham who are unemployed or inactive into employment, training, or education.

## **Outcomes from the Youth Employment Initiative**

16. The outputs for YEI are yet to be confirmed by DWP but are expected to include:
- Unemployed/long-term unemployed/inactive participants residing in County Durham who:
    - i. Complete the YEI supported intervention.
    - ii. Receive an offer of employment, continued education, apprenticeship or traineeship upon leaving.
    - iii. Are in education/training, gain a qualification, or are in employment (including self-employment) upon leaving.
  - Longer-term result indicators (to be measured through follow-up surveys of a representative sample of participants) are those in:
    - i. Continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving.
    - ii. Employment six months after leaving.
    - iii. Self-employment six months after leaving.

## **Involvement of Young People**

17. One of the priorities identified at the outset has been to ensure that young people have a key role in shaping the DurhamWorks programme. As part of this process, research was undertaken during autumn 2014 with 250 18-24 year old unemployed young people resident in County Durham<sup>1</sup>. This highlighted that the majority of young people who took part in the survey want to be in stable employment and many have very specific ideas about the career they want. However, they are unsure about how they will achieve their ambitions. This is largely driven by uncertainty about their future and feelings of helplessness due to a lack of money and opportunities.
18. Many young people who took part in the research also talked openly about depression and anxiety since becoming unemployed and some admitted that they had turned to drink and drugs. As might be expected, longer term unemployed young people and those in more rural communities were more likely to experience mental health issues relating to a sense of isolation.

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<sup>1</sup> 'Youth Unemployment in County Durham – Beyond the Statistics' Force 7, 2015

19. Other activities to involve young people in the design of the DurhamWorks programme include an on-line survey and a series of youth focus groups. A number of factors that prevent young people from getting jobs were identified, including a perceived lack of available employment opportunities. In terms of measures that would help young people to get and keep a job, opportunities to gain work experience, more local employment opportunities, as well as information, advice, guidance and support were identified.
20. To ensure the DurhamWorks programme is responsive to the needs of young people, a reference group consisting of young people will be established.

### **The current level of youth unemployment in County Durham**

21. The most recent unemployment statistics for County Durham are outlined below:
  - The Annual Population Survey for the period April 2014 to March 2015 showed that County Durham had 7,300 unemployed 16-24 year olds, representing 18.9% of the 16-24 38,800 economically active young people resident in County Durham. This compares to a national rate of 16.2%.
  - The JSA claimant count for 18-24 year olds in County Durham at July 2015 was 1,955, representing 3.8% of the 18-24 resident population in County Durham. This compares to a national rate of 2.3%.
  - The number of 16-18 year olds who were NEET at June 2015 was 1,056, representing 6.3% of 16-18 year olds resident in County Durham. This compares to a national rate of 4.9%.
22. As well as the statistics, it is also important to consider the damaging impact unemployment has on individual young people. These include a long-term reduction in wages; increased chances of subsequent periods of unemployment and poorer health outcomes.

### **Next Steps**

23. Helen Radcliffe has been appointed as External Programme Manager and will lead a team to manage the delivery of the DurhamWorks programme. This team will be part of County Durham Adult Learning and Skills Service. It will utilise the expertise within this service to ensure there is robust performance management.
24. Recruitment to the team is currently underway to ensure it is staffed when delivery commences in October 2015. A procurement process is ongoing for a learner tracking system, an evaluation model and a Subcontractor Framework.

### **Recommendations**

25. Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided during the presentation.

26. That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress report on the development and delivery of the DurhamWorks programme at a future meeting of the Committee.

**Background Paper(s)**

Economy and Enterprise OSC – 30 October, 2014 - Report and presentation on the Youth Employment Initiative.

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## **Appendix 1: Implications**

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**Finance** – There is a risk that in order to maximise YEI/ESF funding, the Council may have to contribute some one-off match funding from reserves if there is under-delivery by a number of Delivery Partners which cannot be managed within the programme as a whole.

**Staffing** – In order to deliver the Youth Employment Initiative to the volumes and timescales required, additional administrative and delivery staff will be required.

**Risk** – Potential financial risk of having to provide an element of match funding which has to be balanced against the risk of not accessing the funding and the subsequent on-going impact of continuing youth unemployment in County Durham.

**Equality and Diversity** – None

**Accommodation** - None

**Crime and Disorder** – None

**Human Rights** – None

**Consultation** – None

**Procurement** – Procurement for DurhamWorks sub-contractors will commence in advance of a decision regarding the outcome of the application, however, no contracts will be awarded.

**Disability Discrimination Act** –None

**Legal Implications** – Durham County Council will need to ensure it complies with any conditions attached to the grant funding. As the provision of services under this funding will involve commissioned services, Service Level Agreements will be entered into with all Delivery Partners to ensure that the funding is used for the required services and that best value is delivered.