



To: **Jobs and Economy Board**

On: **8th February 2016**

Report by:
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Renfrewshire: Full Youth Employment Initiative Proposal

1. Summary

- 1.1 Since the launch of Invest in Renfrewshire in 2012 the youth employment levels across Renfrewshire have increased by over 50% and youth unemployment has fallen by over 80%.
- 1.2 This paper proposes that Renfrewshire should now aim to further reduce youth unemployment and strive to eliminate structural unemployment for young people in Renfrewshire.

2. Recommendations

- 2.1 It is recommended that the board...
 - (i) Note current youth employment levels and the significant increase in youth employment in Renfrewshire over the last three years;
 - (ii) Agree that Renfrewshire Council should introduce an initiative to further reduce youth unemployment and strive to eliminate structural unemployment for young people in Renfrewshire;
 - (iii) Establish a partnership group across the CPP to take this forward;
 - (iv) Agree that further updates on progress for this area of service provision be provided to the Board on a regular basis.

3. Background

- 3.1 Renfrewshire Council has had youth employment as a key priority of the Council for the past 3 years. The Invest in Renfrewshire programme, which launched in June 2012, concentrated on increasing jobs at a local level and growing the local economy.

- 3.2 The programme targets a wide range of employment growth from graduate opportunities to entry level traineeship posts and has, so far, motivated around 850 local employers to get involved with the programme, support unemployed young people and create additional jobs.

4. Progress to date on Youth Employment

- 4.1 At the launch of Invest in Renfrewshire, at June 2012, Renfrewshire's youth **employment** figures stood at **43.2%** (the 6th lowest local authority youth employment level across Scotland at that point).
- 4.2 In June 2015, that figure had grown to **68.3%**, now the 4th highest level out of 32 local authority areas. This rise represents the highest overall growth across all Scottish local authorities - an increase of 54.6% from the 2012 figures. The Renfrewshire figures continue to rise.
- 4.3 A key element of the Invest in Renfrewshire programme was to create new and additional local jobs, traineeships and internships to increase the paid opportunities for local young people.
- 4.4 Since the launch of Invest in Renfrewshire over 1,000 paid posts have been created for young people in Renfrewshire. Press releases are currently being prepared with the headline of "1,000 jobs in 1,000 days" reflecting the period of time since the start of Invest in Renfrewshire.
- 4.5 4,500 more young people were in **employment** in Renfrewshire in June 2015, compared to June 2012 and the additional 1,000 posts created through Invest in Renfrewshire have made a real difference to local unemployed young people, to Renfrewshire companies and to the performance indicators for Renfrewshire.
- 4.6 Renfrewshire's youth **unemployment** rate has fallen from a high of **11.4%** to the current rate of just **1.9%** - one of the biggest drops across Scotland. For the first time ever, during 2015, Renfrewshire Councils youth unemployment rate was below both the Scottish average and UK average. Historically Renfrewshire were placed in the highest 6 local authorities for youth unemployment but this improved to 15th place during 2015.
- 4.7 The positive change to the youth employment and unemployment figures is a hugely significant achievement. For a long time, Renfrewshire had been among the poorest-performing councils on this measure – perhaps not surprising given the social and economic challenges the area faces. It is now proposed to keep the momentum going by setting a new challenge for youth employment in Renfrewshire.

5. The Next Stage – Full Youth Employment

- 5.1 Given the successes to date on youth employment it is proposed that Renfrewshire continues to push forward with an initiative to further reduce youth unemployment toward full employment for young people.

- 5.2 Full employment area status has had a range of meanings over the last decade however it is defined by the majority of mainstream economists as being “an acceptable level of unemployment somewhere above 0%”. The discrepancy from 0% arises due to non-cyclical types of unemployment, such as frictional unemployment (there will always be people who have quit or have lost a seasonal job and are in the process of getting a new job) and structural unemployment (mismatch between worker skills and job requirements).
- 5.3 As such, it is proposed that Renfrewshire will aim to eliminate all structural unemployment for young people, meaning an (almost) zero rate of unemployment for young people being unemployed for over 6 months. Renfrewshire will aim to move any unemployed young person into work within the first 6 months of being unemployed.
- 5.4 There are currently around 300 youth JSA claimants aged between 16 - 24 in Renfrewshire. The current NOMIS figures identify that there are 85 people claiming JSA and over 6 months unemployed, and:
- 60 of these young people are between 6 – 12 months unemployed; and
 - 25 are 12 months plus unemployed.
- 5.5 The Councils own Employability Services is actively working with a number of this group. Others will not be engaging and others will be on the mandated Work Programme. Those on the Work Programme will be more difficult to support as they are excluded from participating in any other type of local employability support due to double funding. This group will therefore require to be dealt with separately and this will be identified in the action plan.
- 5.6 In addition there will be some young people claiming Universal Credit who are over 6 months unemployed (as UC was introduced in Renfrewshire in June 2015) however the stats are not published currently for this group. As such, it is proposed to concentrate initially on the published JSA figures and then include the UC figures once these are clarified.
- 5.7 This proposal will require a full partnership approach with CPP partners, especially DWP, SDS and West College Scotland. It is proposed that a CPP working group is established to push forward this agenda.
- 5.8 It is also proposed to launch this proposal to the Invest in Renfrewshire companies and to seek a further buy-in from a number of them to directly support this group and to look to offer jobs and opportunities to make Renfrewshire the only full-employment area in the UK for young people.
- 5.9 Around 50% of the full employment target group are already working with the Invest Employment Team and they will now be prioritised for support with a dedicated team identified to move them forward as soon as possible.
- 5.10 The majority of the other 50% will be on the Work Programme and discussions are underway to look at how to provide additional support to this group.
- 5.11 As well as specifically targeting those who are currently over 6 months unemployed it is aimed to put more priority on stemming the flow of 6 month Unemployed Clients by

increasing the focus / priority of current clients who are 4 months + unemployed to reduce the numbers hitting 6 month unemployed status.

5.12 Further reports will be brought to board on the progress of the Full Employment Initiative.