

BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

Report of the Executive Director of Place

EMPLOYMENT AND SKILLS – BARNSLEY YOUTH EMPLOYMENT PROGRAMME

1 Purpose of report

- 1.1 To seek Cabinet approval to create 40, new, 12-month employment opportunities for young people in Barnsley, as a pathway into life-long work.
- 1.2 To extend our existing 40 Kickstart placements by a further 6 months.

2 Recommendations

- 2.1 **To ask Officers to develop the programme with the aim of launching it in May 2021.**
- 2.2 **To delegate the implementation of the programme to the Executive Director of Place, or their duly authorised representative.**

3 Introduction

- 3.1 Nationally and locally young people have been disproportionately impacted by the lockdowns in response to the COVID pandemic. Evidence from the last recession suggests that a significant period of unemployment has a scarring effect on young people's long term employment and earning prospects (an impact of between 12 and 15% on salaries at age 42) and on their wellbeing¹.
- 3.2 Those in their early 20s are 2.5 times more likely to work in a shutdown sector than other workers. Over the last decade one in three non-graduates and one in five graduates have got their first employment experience after education in sectors that have felt the greatest impacts such as retail, hospitality, travel and leisure pushing an additional 600,000 18-24-year-olds into unemployment in the coming year². Almost 60% of the total drop in payrolled employees since February 2020 is among the under-25's (ONS, Feb 2021).
- 3.3 On top of this, the UK has seen a huge decline in apprenticeship starts as a result of the coronavirus crisis has been observed. Starts between 23 March and 30 June 2020 were down by 38,110 or 52.3% on the same period in 2019. Apprenticeship starts for young people aged 16-18 have been hit hardest. There were 7,740 fewer apprenticeship starts over this period in 2020 than the previous year, a decline of 73.2%. (SCR, C-19 Briefing, Jan 2021).
- 3.4 As a result of the restrictions on educational establishments mixed with the scale of job losses we expect to see a sharp spike in the number of young people not in education, employment or training nationally.

¹ The wage scar from youth employment, Gregg and Tominey, University of Bristol, 2004

² <https://www.resolutionfoundation.org/press-releases/corona-crisis-could-increase-youth-unemployment-by-600000-this-year-and-scar-young-peoples-prospects-for-far-longer/>

- 3.5 Importantly, unemployment headline figures mask the whole picture of the impact on our youth as they do not include a high number of young people who are “economically inactive” (not seeking work), for example, at university, carers or with a health condition. Statistics suggested numbers to be as high as 430,000 in England, a significant proportion of which are from disadvantaged areas³. Added to this, the number of young people of labour market age is rising which will only increase these challenges.
- 3.6 In Barnsley, as of January 2021, there were 2,010 (11.2%) of our 18-24 Year Old's are claiming Universal Credit (i.e. with a total household income of less than £16k a year), almost double the number from 2020. This is higher than the Yorkshire and Humber average of 9.2% and GB average of 8.8% (ONS, Feb 2021).

Barnsley's response

- 3.7 The Inclusive Economy Board has identified Youth Employment as a priority within our recovery response to reduce the impact of the shock on Barnsley businesses and residents due to the pandemic and successive lockdowns. As part of this recovery plan, options to utilise existing resources differently and bring forward new activities to address identified gaps are being considered. The proposal outlined in this paper sits within and enhances a wider package of measures that Barnsley Council and its partners are taking to help reduce the impact on 18-24 year olds:
- **Advance Barnsley** - launched January 2021, this website, developed with partners (JobCentre Plus, Colleges, the Chamber and service providers) brings together helpful information, advice, guidance and access to support into one place to help young people find, get, stay-in and progress in work. A supporting campaign is launching at the moment to raise awareness of the opportunities and support available.
 - **Employment Support Helpdesk** - established May 2020, as a single point of contact for all ages to speak to someone and help them get the report they need to find work, stay in work or progress.
 - **Careers Advice** - we are working with the schools and colleges to look at how young people can still access meaningful work experience and interactions with the world of work. Our Business Education Alliance programme launched over the last year to help small businesses to engage and support our schools and colleges raising awareness of the kind of jobs available in Barnsley and wider areas and the skills needed to access and progress in those roles.
 - **Inclusive Offer** - Commenced January 2021 to increase the number and enhance the quality of a range of work experience related opportunities, both paid and unpaid, across the Council and Borough.
 - **Redundancy Support** – the Council extended its employability support in the spring of 2020, providing support to people of all ages, who are at risk of redundancy. Working with JobCentre Plus and other partners our team have been on site and supported over 120 effected individuals to date.

³ https://youthfuturesfoundation.org/wp-content/uploads/2020/04/YFF_NEET_Report51.pdf

- **Employer Promise** – Partners are looking to bring forward a Youth Friendly Employer scheme as part of our existing Employer Promise to highlight opportunities for young people and recognise good practice in the borough.
- **DWP Kickstart** – the Council embraced the scheme and created new, paid, 6-month placements for the scheme in response. Berneslai Homes responded innovatively creating Kickstart placements and extended them to 1-year opportunities. Barnsley Chamber are co-ordinating Kickstart placements for smaller employers in the borough.

The Kickstart Scheme

- 3.8 The Kickstart scheme provides government funding for 6-month placements for 16 to 24 year olds who are on universal credit and at risk of long term unemployment. The placements must be new jobs which would not exist without the Kickstart grant. They must not replace existing or planned vacancies.
- 3.9 The scheme is led by JobCentre Plus who identify eligible candidates and share relevant vacancies with them; the young people then decide whether to apply for the scheme. If they want to progress, individuals then apply for the roles in the normal way and employers choose who to recruit.
- 3.10 DWP grant funds 25 hours per week at national minimum wage, employer's national insurance contributions and minimum pensions auto-enrolment contributions. There is set-up funding available of £1,500 per placement.
- 3.11 Nationally, the scheme started in November 2020 when the first 6 month placements were recruited. The last DWP placements will be recruited in December 2021 running until the end of the current scheme in June 2022.
- 3.12 To take part in the scheme, organisations apply to DWP to take part. To be eligible organisations must be able to identify a minimum 30 placement opportunities. Organisations with less than 30 placements can bid as part of a consortium and in Barnsley this is being co-ordinated under the Chamber umbrella.

4 Proposal and justification

Barnsley Youth Employment Programme (BYEP)

- 4.1 Barnsley Youth Employment Programme (BYEP) would be delivered in partnership with Berneslai Homes. As two of the borough's anchor organisations, we will lead by example, working in active partnership to address youth employment in the borough. Jointly we will aim to create over 100, new, paid placement opportunities for up to 12 months as a springboard into a career across two of our major employers, their supply chain and wider partners.
- 4.2 Providing an extended placement will give the individual a much greater opportunity to acquire new skills & competencies and they will then be better placed to obtain long term employment. BMBC will also benefit by having an individual working with us for a longer period after they have learned the role. Kickstart funding would be limited to the first 6 months of the placement with the Council incurring the full cost of months 7 to 12. Our enhanced proposal offers young people:

- 12-month paid work placement (25 hours per week)
- Accredited Qualifications
- Non-Accredited Awards
- Intensive wraparound support – focusing on employment readiness
- The opportunity to learn more about the various functions and services the Council and Bernselai Homes deliver all across the Borough for residents and businesses.
- The chance to extend their networks and connections for their future employment search.

A fully inclusive employment offer

4.3 This proposal also provides the opportunity to join the scheme to young people who may benefit from being a Kickstart employee but do not fully fit into the DWP eligibility criteria. For example, Care leavers who do not receive Universal Credit, who are Not in Education, Employment or Training (NEET). This approach offers that opportunity to step-on to the Council funded element of the scheme for up to six-months.

5 Consideration of alternative approaches

5.1 **Doing nothing** – the Council is already offering 40, 6-month Kickstart Placements, achieving a positive impact for young people in the borough. While beneficial, this may not have the sustained impact for all of those young people that a longer placement could achieve.

5.2 **Create 40 more 6-month placements within the DWP scheme** - this would have a positive impact in that it provides good work experience opportunities to young people in the borough. Again, a shorter employment period is not likely to have the sustainable impact for all of those young people that a longer offer would provide and would not provide opportunities to the vulnerable group ineligible for the current scheme.

5.3 **Preferred option** – to create additional 40 Kickstart placements across the Council extending those, along with our existing 40 existing paid placements, into 12-month paid placements. The outcome from which are 80, 12-month paid placements across the council as an inclusive pathway into life-long careers.

6 Implications for local people / service users

6.1 This proposal gives unemployed young people aged 18–24 yrs the confidence, skills and meaningful work experience necessary to help them secure sustainable employment.

7 Financial implications

7.1 The Service Director Finance (S151) has been consulted on the proposals contained within this report.

7.2 The proposal is to fund 100 new Kickstart job opportunities across the council [and Berneslai Homes] to give young people the confidence to secure ongoing

sustainable employment as we recover from COVID 19.

- 7.3 The positions to be created will be based on paying the National Living Wage of (£8.91 per hour) for 25 hours a week. The total cost of this proposal is estimated to be in the region of £1.2M. The Council will be able to access the Government's Kickstart scheme to fund 50% of this cost (e.g. for 6 months) resulting in a cost to the Council of approximately £0.6M. This provision also provides for some flexibility for movements within the scheme (e.g. leavers and the subsequent appointment of 'replacement' starters).
- 7.4 A provision has been set aside within the current forecast for the costs associated with dealing with COVID 19. This funding is one-off for the next 12 months period and no further provision has been made beyond this date. Therefore, if a decision was made to extend the scheme beyond 2021/22, this would be an unfunded call on the Council's agreed Medium Term Financial Strategy.

8 Employee implications

- 8.1 Resource will be needed from the Employment and Skills team to co-ordinate the scheme, provide pastoral support and employability skills and support progression into a life-long employment.
- 8.2 Resource will be needed from Workforce Development to support the creation of new placement opportunities across business units.
- 8.3 Resource will be needed from Human Resources to support the establishment, recruitment and ongoing employee support.
- 8.4 Resource will be needed from Finance and Payroll to manage the DWP grant and then ongoing wage of the individuals.
- 8.5 There will be a resource implication for Managers across BMBC in response to the large influx of young people to meet the responsibilities needed to support these new employees.

9 Communications implications

- 9.1 As anchor organisations in the borough promotion of the scheme and its impacts will encourage other employers in the borough to offer similar opportunities.
- 9.2 Promotion of the scheme will be embedded in the wider campaign to grow Youth Employment in the borough.

10 Consultations

- 10.1 Consultations have taken place with Berneslai Homes and JobCentre Plus.

11 The Corporate Plan and the Council's Performance Management Framework

- 11.1 The Corporate Plan includes outcomes to increase skills and get more people working and implementing this proposal will directly create more opportunities and positive outcomes for the borough.

12 Promoting equality, diversity, and social inclusion

12.1 This proposal directly targets a group identified as disadvantaged in the labour market. It will promote equality, diversity and social inclusion. An Equality Impact Assessment will be undertaken if Cabinet wishes to develop this further.

13 Tackling the Impact of Poverty

13.1 Improving the employability and skills of residents are some one of the ways in which residents can be taken out of poverty or prevented from falling into poverty.

14 Tackling health inequalities

14.1 Worklessness is one of wider determinants of health and improving employment prospects produces long-term benefits for residents.

15. Risk Management Issues

15.1 A full risk plan will be developed as part of project development.

15.2 The main risk of the programme would be a further lockdown which may restrict which posts we are able to recruit to.

16. Glossary

- ONS – Office of National Statistics
- DWP – Department of Work and Pensions

17. List of Appendices

Appendix A – Financial Implications

18. Background Papers

- Barnsley's Employment and Skills Strategy, More and Better Jobs

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

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