

# **YOUTH UNEMPLOYMENT IN HARTLEPOOL**

## **Developing an evidence base**

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# 1. Introduction

It is Hartlepool Borough Council's intention to develop an additional range of employment and training projects that will assist in a reduction of youth unemployment and economic inactivity. To this end the Council have commissioned research to provide an evidence base that will support the development of these additional initiatives.

## 1.1 The Brief

The research brief outlines a number of key areas for further exploration.

- What is the real scale of the NEET problem in Hartlepool and what are the factors that lead to 16 and 17 year olds becoming classified as NEET?
- What has been the impact of mainstream publicly funded employment and training programmes targeted at 16-24 year olds?
- Where are the gaps in mainstream provision?
- What are the perceptions of employers and young people?

It was also the intention that this work should build upon the research undertaken by CLES into unemployment in Hartlepool in 2001. This research brief posed a number of questions:

- Why had the unemployment rate for Hartlepool remained at the 10-11%?
- Why had success across a range of initiatives not translated into lower unemployment levels?
- What are the key groups or segments within the total group of unemployed and how are they fairing within the overall statistics?
- Churn in the labour market - what does it say about the structure of the labour market?

The report concluded that the vast part of what was going on in the labour market ***“is a direct result of macro economic drivers and policies. Other problems are institutionalised or cultural and will not be easy to resolve”***.

The report highlighted in particular that:

- Unemployment rates had remained high due to macro economic pressures – Hartlepool's slack labour market meant that active labour market projects had had less impact. Employment opportunities were not impacting on those on JSA but were being taken up by those who were economically inactive and had a greater incentive to work.

- There was evidence of significant churn in the labour market – with many people coming on and off training courses and initiatives
- Barriers to employment for the 16-24 age group included:
  - A lack of work experience and qualifications
  - The inter relationship between work and parents' benefits (where the young person was living at home)
  - Unrealistic expectations of work and wages
  - These young people were often in a non working peer group.

This report aims to build on and update the findings of this research focussing on the 16-24 age group. Given the huge body of data and the breadth of provision available to this target group it has not been possible to provide an in depth analysis in the available timeframe. However, this research has begun the process of 'unpicking the headline data' on youth unemployment and undertaken some initial consultation with young people and key stakeholders. From this initial research it has been possible to build up a picture of youth unemployment in Hartlepool and to identify a number of key areas that require further and more detailed exploration and analysis.

## **1.2 Methodology**

The research took place between November 2006 and January 2007. The first stage of the research involved a review of the existing data using NOMIS and JSU reports, comparing the data where possible, to the rest of Tees Valley and the UK; focusing on indicators in relation to claimant count, economic activity and inactivity, worklessness, the NEET group and destinations of school leavers.

This data has then been supplemented by qualitative anecdotal information from semi structured interviews with individuals and focus groups as well as responses to questionnaires. To date consultation has taken place with 18 representatives from the public, private and voluntary sector as well as interviews and focus groups with 10 young people. The young people ranged from 17-21 years of age. Five young people were on E2e programmes, two were on New Deal and had just been accepted on Hartlepool Borough Council's ILM project, one was in employment, and two were on placement with a voluntary sector organisation ???

## 2. Background

Over the last 10 years Hartlepool has benefited from significant investment in the regeneration of the town, both physically and in its people.

- City Challenge
- Single Regeneration Budget
- New Deal for Communities
- Neighbourhood Renewal Fund
- European Social Fund Objective 2 &3 and ERDF

Improving the employability of the town's residents has been a key priority of these regeneration initiatives.

### 2.1 Mainstream provision

Within the timeframe available it has only been possible to apply a 'light touch' approach to assessing mainstream provision and undertaking a gap analysis.

On this basis the mainstream programmes available to this target group include those funded by Job Centre Plus, Learning and Skills Council and Connexions Tees Valley (this sub regional service will be disaggregated in April 2007). Delivery of programmes can be via a range of contractors from the public, private and voluntary sectors.

Provider	Provision	Key Elements
<b>Job Centre Plus</b>	Support for people of working age  Under 6 months unemployed –          Over 6 months unemployed: New Deal for Young People 18-24 years: <ul style="list-style-type: none"><li>• Mandatory programme</li><li>• Must have been claiming JSA for 6 months to be eligible for the programme</li></ul>	<ul style="list-style-type: none"><li>• Active help from personal advisers to find work to meet individual needs</li><li>• Jobseeker Direct is a job vacancy phone service</li><li>• All young people assigned Personal Adviser</li><li>• Assistance to draw up action plan</li><li>• 'Gateway' for up to 4 months – regular meetings with Personal Adviser and then move into full time help/package of support</li><li>• Option period: during this time the young person receives a training allowance equivalent to JSA and may also receive a £15.38 top up.</li><li>• Options include: work experience, placements with employer or voluntary organisation, courses to</li></ul>

		<p>develop skills employers want, help applying for jobs.</p> <ul style="list-style-type: none"> <li>At end of option period if not found employment or moved into training the young person returns to JSA for 'follow through' period.</li> </ul>
<b>Learning and Skills Council</b>	<p>Improving the skills of young people and adults to ensure a workforce of world-class standard.</p> <p>Apprenticeships -</p> <p>Entry to Employment (E2E)</p> <p>Further Education</p> <p>1<sup>st</sup> level 2 Entitlement</p> <p>Adult &amp; Community Learning</p> <p>Skills for Life – National LSC</p> <p>Train to Gain - for businesses,</p>	<p>A work-based learning programme that allows employers to train existing staff and new young people. The programme involves key skills qualification as well as technical certificate eg BTEC, City and Guilds. Lasts between 1-4 yrs.</p> <p>Programme aimed at young people aged 16 – 18 who are not involved in employment, education or training; aims to prepare the learner for employment in the apprenticeship programme through work placements and/or training.</p> <p>Courses can be full or part time, academic or vocational. Providers fall broadly into five categories: agriculture and horticulture colleges; art, design and performing arts colleges; general FE and tertiary colleges; sixth form colleges; and specialist designated institutions.</p> <p>Priority given to those learners who have not already achieved this standard.</p> <p>Support a diverse range of community-based and outreach learning opportunities.</p> <p>Initiative for improving literacy, numeracy and language (ESOL) skills.</p> <p>Skills Brokers match any training needs identified with training providers ensure that training is delivered to meet business needs.</p>
<b>Connexions Tees Valley</b>	Offers a family of services Valley including impartial and accessible information, advice and guidance for 13-19 year olds	<p>Service delivered by teams of Personal Advisers located at:</p> <ul style="list-style-type: none"> <li>schools and colleges</li> <li>community locations</li> </ul>

		<ul style="list-style-type: none"> <li>• youth facilities</li> <li>• one stop shops in high street locations</li> </ul> <p>As well as the Connexions Tees Valley website.</p> <p>Support offered includes: Support learning, removing barriers to progression, raising aspirations and creating opportunities to enter education, employment or training.</p>
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The above agencies supplement their mainstream provision with a range of additional projects and initiatives funded from Europe as well as area based regeneration programmes. This enables the targeting of additional resources to identified needs. However, these funding streams are fixed term but they enable pilot provision to be delivered and any subsequent good practice to be mainstreamed.

### **Hartlepool Borough Council provision**

Hartlepool Working Solutions offers a range of employment related activities that facilitates a joined up approach to service delivery in the NRS area.

Hartlepool Working Solutions has seven separate elements:

- Targeted Training
- Womens Opportunities
- Jobs Build
- Work Route (ILM)
- Enhancing Employability
- Progression to Work
- Work Smart

Each element complements each other and aims to:

- Provide support for residents furthest removed from the labour market by offering a cocktail of interventions, which help to overcome multiple barriers to employment.
- Employment focused training, which meets the needs of the local labour market.
- Intermediary activities, which offer NRS residents with paid employment through Hartlepool Borough Council and acts as a transition to unsupported employment.
- Incentives to improve the match between the needs of employers and the aspirations of residents.

Focused activities to support lone parents wishing to return to the labour market or become self-employed.

- Build links with employers to improve job brokerage and enhance agency activities in the town through the sharing of best practice.
- Ensure that residents have access to effective information, advice and guidance in order that they can make informed decisions regarding the opportunities open to them.

In 2005-06 Hartlepool Working Solutions supported 157 residents into employment.

## **2.2 Population**

The table below shows the population of Hartlepool by age group. The cohort this report focuses on, the 16-24 age group, represent 10,600 of the overall population in Hartlepool in mid 2006 making up 12% of the overall population.

	Total Population	Population by Age Group:						
		0-4	5-15	16-24	25-44	45-ret*	Ret*-74	75 plus
Darlington	99,800	6,100	13,400	10,900	26,400	23,200	11,700	8,000
<b>Hartlepool</b>	<b>89,600</b>	<b>5,200</b>	<b>13,000</b>	<b>10,600</b>	<b>23,400</b>	<b>20,400</b>	<b>10,600</b>	<b>6,500</b>
Middlesbrough	137,300	8,200	19,800	18,000	37,600	29,700	14,600	9,600
Redcar & Cleveland	137,200	7,200	18,600	15,600	34,100	32,600	18,000	11,200
Stockton-on-Tees	187,100	10,500	26,400	22,000	51,600	43,700	20,500	12,500
Tees Valley	651,000	37,100	91,100	77,100	173,100	149,600	75,400	47,700
North East	2,529,000	132,700	334,000	305,500	662,400	592,200	302,000	200,200
England & Wales	53,463,000	3,070,000	7,131,000	6,219,000	15,128,000	11,813,000	5,942,000	4,160,000

Notes : \* "Ret" - Retirement age is 60 for Women, 65 for Men. Totals may not sum due to rounding.

Source : TVJSU

## **2.3 Economic Profile of Hartlepool**

This section provides a snap shot of the local economy for the year ended December 2005 (Economic Profile for Districts in the Tees Valley - October 2006 Edition, JSU).



- 71.7% of the working age population are economically active. Hartlepool has the lowest rate of economic activity across Tees Valley and is significantly lower than the rate for the region – 75.2% and nationally 78.4%. Since 1999 Hartlepool is the only area in the Tees Valley that has seen an overall reduction in the rate of economic activity.
- 67.2% of the working age population are in employment – 49.6% in full time and 17.7% in part time employment. Hartlepool has a lower rate than Tees Valley (only Middlesbrough is lower than Hartlepool at 66.4%), the region and nationally.
- 6.4% of the working population are in self employment – this is the second highest rate in Tees Valley. Hartlepool has seen a significant increase in this rate since 1999 – almost 3% - the highest increase in Tees Valley. This rate compares favourable with Tees Valley and the region at 6% and 6.3% respectively but is still lower than the national rate at 9%.
- 16.1% of the working age population have an NVQ4 or above (the lowest in Tees Valley). This is significantly lower than the regional rate of 21.3% and the national rate of 26.5%. 20.2% have no qualifications (the second highest in Tees Valley) compared to 18.8% for Tees Valley, 15.6% for the region and 14.3% nationally.
- Unemployment has been steadily decreasing since 1997 – from 8% to a low of 3.8% in 2005. The rate is now increasing and had reached 4.5% in September 2006. This rate is higher than Tees Valley at 3.8%, the region at 3.2% and nationally at 2.6%.
- Worklessness can be used as an alternative view of unemployment by measuring the total percentage of people of working age without work. Hartlepool's workless rate in September 2006 was 34.8% - the second highest in Tees Valley – higher than both Tees Valley at 33% and Great Britain at 25.5%.
- Hartlepool's average weekly earnings (full time and resident based)) at £373 are lower than Tees Valley, the north East and Great Britain.
- The job density figure for Hartlepool (devised as an indicator of job demand whilst vacancy data was temporarily unavailable) was 0.64 in 2004. The national average was 0.8 – indicating Hartlepool has more people than jobs and therefore has a slack labour market.

The CLES report provided a snapshot of the local economy in 2000 and found some similar characteristics:

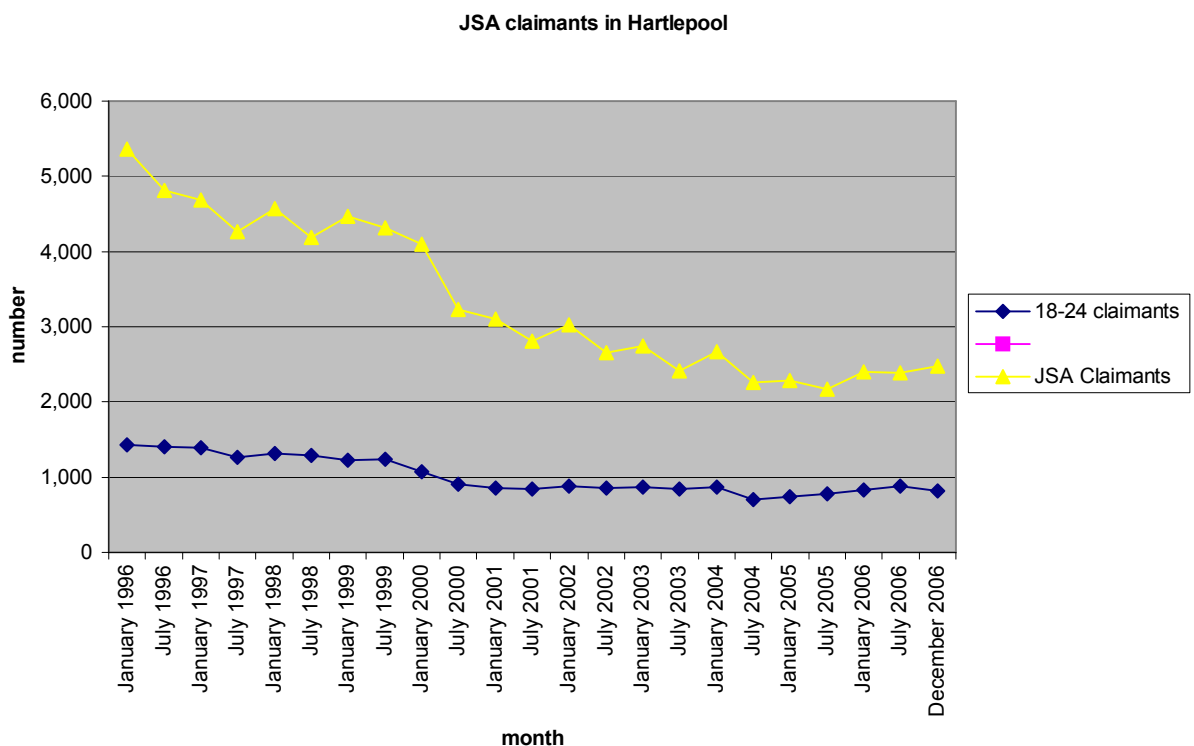
- Slack labour market

- Low wage levels
- Lowered expectations of work and attainment
- High availability and provision of training

At this time unemployment was at 10.9% (February 2000). Over the last six years unemployment has reduced to 4.5% (September 2006) but the characteristics of the labour market remain similar.

## **2.4 Unemployment and worklessness**

Youth unemployment is one of the key economic targets included in the Hartlepool Community Strategy, Local Area Agreement and Best Value Performance Plan. The long term target established in 2002 is to reduce the overall rate to 29% in 2012 from a baseline of 30.7%



As can be seen from the chart, overall unemployment (as measured in terms of claimant count JSA) has declined from a high of 5357 in 1996 to just over 2500 in January 2004 with 18-24 claimants reducing from a high of over 1400 to fewer than 800. However, during this period, the rate of 18-24 claimants measured as a proportion of overall JSA claimants fluctuated between 27% and reaching a high of 35% in the same period. The overall number of Hartlepool residents claiming JSA has declined at a greater rate than that of the 18-24 year old age group.

This research seeks to understand what is the real scale of youth unemployment in Hartlepool and provide an evidence base that will support

the development of additional targeted employment and training projects that will lead to a reduction in youth unemployment. This report will address a number of key issues as laid out in the research brief:

- Research into the factors that lead to 16 and 17 year olds becoming classified as NEET and identify the real scale of the problem
- Assess the impact of mainstream publicly funded employment and training programmes targeted at 16-24 year olds
- Undertake a gap analysis of mainstream interventions
- Ascertain employers and young peoples perceptions of the issues

### 3. Findings

In order to gain a better understanding of the factors that may have impacted on the youth unemployment rate in Hartlepool the following data has been analysed:

- Population trends of the target group.
- Key indicators for the 16-18 cohort – to gain in sight into the real scale of worklessness amongst this group: young people in learning and work, the NEET group and those whose destination is “not known”.
- Issues of unemployment and worklessness
- Claimant count and duration of unemployment.

Feedback from consultations with young people, agencies and organisations and stakeholders has also been used to add value to the data and to explore barriers to young people taking up training and employment.

#### **3.1 Population trends**

The overall population of the town in this period has declined, however, there has been a 15% increase in those aged 15-24 compared to only a 7% increase in those aged 25-59. With the main increase in those young people aged 15-19.

Whilst an increase in the population in this age group may account for some of the rate rise in 18-24 year old JSA claimants, analysis of data and qualitative information in relation to the 16-24 target group highlights some further issues.

#### **3.2 Key Issues – 16-18 cohort**

	Hartlepool	Tees Valley	England
<b>16-18 Cohort Profile</b>	2950	21209	1125658
% In learning	70.2	71.2	75.2
% NEET	11.7	12.4	8.6
% In employment	17.2	15.5	17.9
% Not known	4.00%	4.8	5.4

Source: Connexions Tees Valley

##### **(i) Young People in learning**

Hartlepool compares well with Tees Valley and England in terms of the number of young people in learning with 70.2% of this cohort in learning in Hartlepool compared to 71.2% in Tees Valley and 75.2% in England. Of

those in learning, 58.2% are in education – slightly lower than Tees Valley (59.4%) and lower than England at 65.6%.

3.3% of those in learning are in employment with training – consistent with Tees Valley but significantly lower than in England – 6.4%. 8.7 of those in learning in Hartlepool are on government supported schemes. Both Hartlepool and Tees Valley are significantly higher than England at 3.2%.

Data on qualifications from the JSU shows that Hartlepool has higher rates of people achieving NVQ level 1 and 2 than Tees Valley, the region or nationally, but lower rates of those achieving trade apprenticeships.

#### Qualifications of working age population – 2005 Annual Population Survey

	Percentage people of working age with at least the following qualification level -						
	NVQ4 and above	NVQ3	Trade apprenticeships	NVQ2	NVQ1	Other qualifications	With no qualifications
Darlington	25.5	14.0	4.9	16.3	13.6	5.0	20.8
<b>Hartlepool</b>	<b>16.1</b>	<b>17.0</b>	<b>6.7</b>	<b>19.1</b>	<b>15.7</b>	<b>5.3</b>	<b>20.2</b>
Middlesbrough	16.5	15.4	7.1	17.9	14.4	8.8	19.8
Redcar & Cleveland	18.8	16.8	7.4	17.8	14.7	7.2	17.2
Stockton-on-Tees	25.4	17.8	5.5	18.6	14.3	4.1	14.3
Tees Valley	18.4	14.7	8.5	17.0	16.5	6.2	18.8
North East	21.3	15.4	7.3	18.3	15.5	6.6	15.6
Great Britain	26.5	15.1	5.6	15.8	14.3	8.4	14.3

Source: Annual Population Survey/JSUTV

Data from Connexions Tees Valley also reveals that more young people currently in training in Hartlepool join the NEET group from work based learning (WBL), E2e or Government Supported Training (GST) than in England 5.1% and 3.6% respectively.

Young people's perception of the training they had undertaken or were currently undertaking raised a number of issues. 5/7 young people were currently on E2e provision in Hartlepool, but all ten young people had undertaken some training provision in the town. Those currently on e2e programmes were all in receipt of EMA.

- It was evident that all the young people were unclear about what they wanted to do when they left school. This appears to result in:

**Training as a stop gap** – it was evident that most of these young people had taken up training because they did not know what else to do or because “their mates were going on the course”. 6 out of 10 of the young people who had been on training all commented that they were unsure what they wanted to do when they left school and that the training course “was better than doing nothing”. One young person was very clear that once they turned eighteen they would leave the course and “they would get a job or sign on”.

**Dropping out** – many of the young people had started courses, usually straight from leaving school at 16 and had then ‘dropped out’ and then went onto start another programme at a different provider. Two of the young people interviewed said that they did not think they would complete the programme.

- The young people were keen to start the job related aspects of the programmes and were not keen on the classroom elements of the training.
- All the young people interviewed had had contact with a Connexions Personal Adviser with Personal Advisers referring young people to training provision.
- One young person who had undertaken a diploma course at a college, but dropped out after two years, felt that there was not enough vocational support and was unclear as to the available progression routes had he completed the course.
- Young people were keen to have more tasters of programmes to help them identify which course is ‘for them’.

The issues raised were reinforced by the agencies and organisations consulted with:

- Concern was expressed that young people are dropping out of training, in particular this was felt to be an issue in relation to young people part completing programmes due to being unable to secure a placement.
- It was felt that academic routeways were not suitable for all and that more vocational routes incorporating different (individual) learning styles were needed to assist with keeping young people engaged in education and training.
- There needs to be “a stronger bridge between training and labour market” and in particular it was felt that there needed to be more input and support from employers for apprenticeships

A number of further points were raised with reference to young people and learning:

- Introduction of the Education Maintenance Allowance (EMA) was seen as having both a positive and negative impact. Whilst it was recognised the EMA may help some young people to take up training a number of concerns were expressed:
  - It was not necessarily helping those young people wanting to progress along the work based learning route and its introduction had resulted in a reduction in numbers of young people on E2e and apprenticeships
  - The 'means test' element of the application was deterring some families from applying.
- The key to engaging and retaining young people in learning is identifying a 'spark' of interest – something that interests and inspires them.
- Mainstream funding can be too output driven and not always flexible enough to support the hardest reach young people. Additional funding streams (eg ESF,co financing) have been targeted at the NEET and hard to reach groups to assist with engaging and retaining them in learning. However, as these short term funding streams come to an end – concern was expressed that Hartlepool may see an increase in these figures without sustained targeting of additional resources.

## **(ii) Young People and employment**

The number of young people in employment In Hartlepool compares well with England and is higher than in the Tees Valley. However, data indicates that a significant proportion of this employment is part time (65%) (NOMIS Jan-March 2006).

Employment is not seen as an 'option' at 16/17, "once I turn eighteen I'll leave the course and get a job or sign on".. The young people interviewed all saw employment as the end goal and were keen to receive a wage –although many were unsure of what kind of job they would like. It was evident that some had unrealistic expectations of the world of work – one young person commented when he was on placement "I had to start work at 7am and didn't finish till 6.30pm and I didn't even get any backhanders".

Concerns were expressed that education and training were not closely enough linked to the labour market and employers and that the curriculum and training programmes do not prepare young people for the labour market.

### **(iii) NEET Young People**

The NEET figures for Hartlepool are higher than England but lower than the Tees Valley at 11.7%.

The NEET group can be broken down into those available for work and those not available for work. In relation to Hartlepool, those NEETs available for work make up 7.9% of the overall 11.7% with those not available for work making up 3.6%. This is significantly higher than Tees Valley at 2.8% but almost three times the rate for England at 1.3%.

Consultation with agencies and organisations revealed a number of factors that lead young people to becoming NEET:

- Disengaging from learning at school
- Low skills and qualifications
- Low aspirations – linked to generational unemployment
- Lack of confidence to access support networks when things go wrong
- Wider social issues eg homelessness, dependency issues, mental health issues, teenage pregnancy, caring responsibilities, young people in care

### **Vulnerable young people**

Further analysis of this group reveals that Hartlepool has the highest percentage of teenage parents of all local authority areas in England. Furthermore, the data indicates that only 50% of 19 year old care leavers in the town are in education, employment or training (EET), therefore, correspondingly 50% are NEET or not known. This trend replicated in Tees Valley (with the exception of Redcar and Cleveland) and England.

The consultation process with agencies and organisations identified very clearly that a significant amount of work and resources had been targeted at supporting the NEET group in Hartlepool and that headway had been made in working with this group. The focus for resources should now be directed towards those vulnerable young people within the NEET group: young people leaving care, teenage parents, young carers and those with other 'family issues', homeless young people, young people with mental health issues, dependency issues and learning difficulties and disabilities.

It was also felt that many NEET and vulnerable young people often have low aspirations, self esteem and motivation and further work is needed to address wider issues of social deprivation and generational worklessness. Many of the young people interviewed had eventually embarked on a particular training route because their Dad, Mum, brother, friend etc had worked in this field. However, the majority of their parents and siblings were currently not working.

### **(iv) The Not Knowns**

Hartlepool has a lower number of not knowns than Tees Valley but is higher than England. Hartlepool in particular has made a significant improvement in reducing the numbers of not knowns at 16 – a reduction of 83% since June



2005 and has also made an impact on the 17 and 18 year olds, however, 18 year olds still make up 70% of those not known.

<b>16-18 cohort – Not knowns</b>	<b>June 2006</b>	<b>June 2005</b>	<b>Reduction</b>	<b>% in age range</b>
Not knowns	122			
<b>Not known at 16</b>	<b>5</b>	<b>29</b>	<b>83%</b>	<b>4</b>
Not known at 17	32	102	69%	26
<b>Not known at 18</b>	<b>85</b>	<b>216</b>	<b>61%</b>	<b>70</b>
16-18	122	347	65%	100

Discussions with Connexions highlighted that destinations of those aged 17 and 18 are much harder to trace at 18 as many sign on and 'shift' contact from Connexions, as a young people's service, to Job Centre Plus. The two agencies have started to share data to enable closer tracking of young people aged 17-18.

The higher numbers of not knowns at 17 and 18 can in part be explained by the difficulty in tracking them, however, this would also be consistent with a significant number of 17 and 18 year olds dropping out of training programmes as highlighted in the previous sections.

#### **(v) Young People still at school**

Although this is beyond the remit of this research, a number of issues were raised in relation to school aged young people and support available at school regarding training and employment:

- Disengagement from school (sometimes exclusion) due to curriculum issues, teaching and learning styles
- Options and route ways are not sufficiently explained to young people early enough. This was reinforced by the young people interviewed who indicated that they would have liked more information about courses and what they entailed and what they could expect
- Pressure at school to perform in course work and exams. Many young people feel they cannot live up to expectations. This was a feeling expressed by one young person interviewed "there was too much pressure to do well".

#### **(vi) Impact of mainstream provision**

From the data and qualitative information it is possible to conclude that mainstream support is impacting positively on young people aged 16-18 in Hartlepool:

- The majority of young people in this cohort are engaged in Education, employment or training (EET) - 87%.

- The NEET group and the not knowns have both seen reductions in Hartlepool.

However, the data and qualitative information highlights a number of areas for further consideration:

- There are vulnerable groups within the NEET group who require targeted and intensive support – in particular teenage parents and young carers
- Young people appear to be dropping out of training and potentially contributing to the significant number of 'not knowns' aged 17 and 18 in Hartlepool.
- Young people still seem unsure about progression routes and the need for more targeted vocational IAG linked to the local labour market was identified.
- There was a general consensus that training and education was not adequately preparing young people for the labour market. Whilst Hartlepool has high rates of people achieving NVQ level 1 and 2, how far is this training improving their employability and assisting them to get jobs?
- Young people are 'turned off' by traditional learning styles, particularly if they have basic skills issues.
- The young people interviewed and feedback from agencies identified a very clear lack of aspiration and inspiration with some of the provision available

### **3.3 Unemployment and Worklessness**

The brief poses a specific question in relation to the 18-24 cohort: to assess the impact of mainstream publicly funded employment and training programmes targeted at 16-24 year olds. This needs to be considered in light of the fact that the overall number of Hartlepool residents claiming JSA declining at a greater rate than that of the 18-24 year old age group.

The following table shows a profile of young people in the town in relation to employment and worklessness (May 2006). Due to how data is collected and collated it is not possible to analyse the data consistently across age groups and categories, however, the data in the table below provides an indication of the numbers in each category.

Indicator	16-17 years	16-19 years	18-24 years	20-24 years	Total
Unemployment (JSA Claimants)			820		820
Employment		2300		3700	6000
Income Support	50		730		780
Incapacity Benefit	30		410		440
Workless/Not known (remainder of population)					2560
Total					10,600
Ward with highest unemployment	Stranton				

67% of the 16-24 age group are in employment, with almost 8% unemployed. 7% of the cohort are claiming income support and 4% are claiming Incapacity Benefit. When this data is compared with the corresponding rates for the 25-retirement age group, (3.7% unemployed, 14% Incapacity benefit, 10% income support), the rates of unemployment and income support would seem high – however, this concurs with the data indicating that youth unemployment has reduced at a slower rate than overall unemployment but it would also be anticipated that the high incidence of teenage pregnancy amongst this age group would impact on the income support rate.

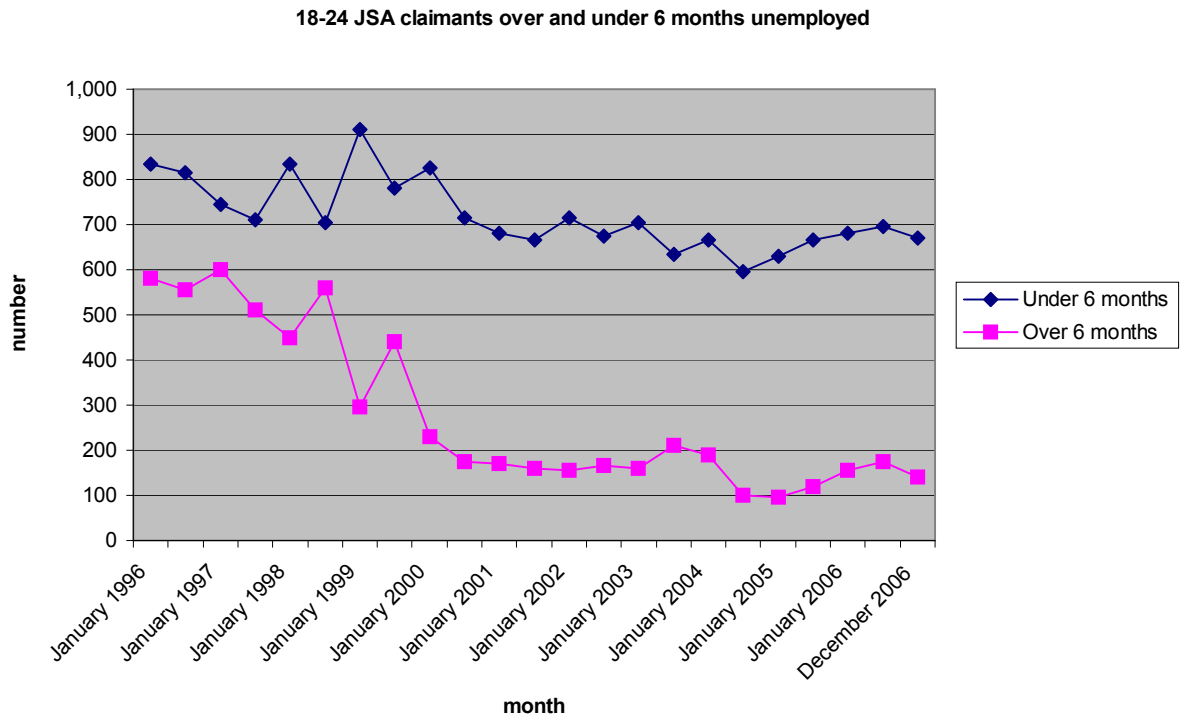
Furthermore, whilst the incapacity benefit rate for this group does not appear overly high in relation to the older age group – there are 440 young people on incapacity benefit – this figure does give cause for concern given the Governments green paper - A New Deal for Welfare Empowering People to Work (January 2006) which stated that “After two years on Incapacity Benefit, a person is more likely to die or retire than to find a new job”. Does this mean that 4% of the 16-24 age group could potentially be looking at long term benefit dependency?

#### **(i) Claimant count and duration of unemployment**

A closer look at the data reveals that the rate of unemployment is affected according to how long a young person has been unemployed.

#### **Duration of unemployment**

The following chart shows that those young people who have been unemployed for over 6 months have seen a significantly greater reduction in the numbers unemployed over the period than for those unemployed under 6 months.



Source: NOMIS

Those unemployed over 6 months are eligible for New Deal and it is this group that have seen a downward trend of 84% from its peak of 600 in January 1997 to its lowest point of 95 in January 2005. However, the numbers in this group have also started to increase steadily from this point, increasing to 175 in July 2006, although this figure has since come down to 140 in December 2006.

Those unemployed for less than 6 months have not seen the corresponding reduction in numbers. This group has seen a 35% reduction from its peak of 910 in January 1999 to its lowest point of 595 in July 2004. It would appear that the lower rate of reduction amongst this group is keeping the overall 18-24 rate at the 'high' identified in the baseline data. This trend is repeated across Tees Valley. Redcar and Cleveland have the lowest reduction in this claimant group of 33%. Further exploration of the factors impacting on the under 6month unemployed group is required.

## **(ii) Churn**

Churn is the number young people moving on and off the unemployment claimant count. The table below shows on and off flow for across Tees Valley, the region and nationally for those aged under 25 years.

	On flow		Off Flow		On flow under 25 years		Off Flow under 25 years	
	Number	%	Number	%	Number	%	Number	%
Darlington	495	29.4	520	30.9	210	42.7	220	42.7
<b>Hartlepool</b>	<b>585</b>	<b>24.4</b>	<b>590</b>	<b>24.7</b>	<b>280</b>	<b>48.2</b>	<b>245</b>	<b>41.6</b>
Middlesbrough	945	23.5	1010	25.2	430	45.7	445	44.0
Redcar & Cleveland	835	27.3	860	28.2	415	49.7	400	46.7
Stockton	1130	29.1	1030	26.6	480	42.4	435	42.1
<b>Tees Valley</b>	<b>3985</b>	<b>26.6</b>	<b>4015</b>	<b>26.6</b>	<b>1815</b>	<b>45.6</b>	<b>1750</b>	<b>43.5</b>
<b>North East</b>	<b>14060</b>	<b>28.2</b>	<b>14190</b>	<b>28.5</b>	<b>6375</b>	<b>45.3</b>	<b>6080</b>	<b>42.8</b>
<b>Great Britain</b>	<b>242735</b>	<b>26.0</b>	<b>233610</b>	<b>25.1</b>	<b>103445</b>	<b>42.6</b>	<b>90995</b>	<b>39.0</b>

Source: JSU July 2006

Hartlepool has slighter lower numbers of those signing on and off the register than in Tees Valley, the North East or nationally. However, amongst those aged under 25 years, Hartlepool has a higher percentage (48%) signing on than that of the sub region, the region or nationally and for those signing off the register, Hartlepool's rate is lower than Tees Valley and the region but higher than the national rate. This indicates significant churn amongst this age group.

The following table provides the reasons why young people sign off the register.

Reason for leaving claimant count – 18-24 year olds	January 2006	April 2006	July 2006	October 2006
Found work	40	80	60	70
Increases work to 16+ hours/week	0	5	5	5
Gone abroad	0	0	10	0
Claimed Income Support	15	5	10	5
Claimed Sickness Benefit	-	-	-	-
Claimed Incapacity Benefit	5	5	15	20
Claimed another benefit	0	0	0	0
Gone to full-time education	0	0	0	15
Gone onto approved training	0	5	5	5
Transfer to Govt-supported training	15	45	20	40
Retirement age reached	0	0	0	0
Automatic credits payable	0	0	0	0
Claims back-to-work bonus	0	0	0	0
Gone to prison	0	0	0	0
Attending court	0	0	0	0
New claim review	0	0	0	0
Defective claim	0	0	5	0
Ceased claiming	0	0	0	5
Deceased	0	0	0	0
Not known	15	10	25	25
Failed to sign	90	120	90	110
<b>Total</b>	<b>180</b>	<b>285</b>	<b>245</b>	<b>300</b>

- These figures are missing. Data rounded to nearest 5.

Source: NOMIS

A snap shot of flow off the register in 2006 taken at quarterly intervals shows that by far the most common reason for leaving the claimant count is failure to sign amongst this age group – accounting for between 37-50%, with finding work second (22-28%), and transfer to government supported training programme next (8-16%) with not knowns accounting for between 3-10%. Those signing off JSA to claim another benefit (incapacity and income support) account for 3.5-11%. It is not clear from the data how many of those transferring to Government supported training are young people on New Deal transferring to the options period.

The data also indicates a slightly greater churn amongst those young people unemployed under 6months. It has not been possible to analyse the data further but consultation suggests a number of reasons for the slower reduction in the rate of those under 6 months unemployed and the significant churn on and off the register:

- Avoidance of New Deal – ‘the threat effect’. Young people signing off the register before they are eligible for New Deal to take up employment or training, transfer to another benefit or fail to sign – only to sign on at a later date.
- This creates the potential for churn between those claimants unemployed for over 6months and those unemployed for under 6months. If a young person who is eligible for New Deal signs off or fails to sign for 13 weeks, they break their eligibility for New Deal and return to under the 6months unemployed category. Given that failure to sign is the most common reason for claimants in this age group signing off the register, there is a significant possibility that this kind of churn is taking place. Without further in depth analysis – the extent of this is not possible to gauge. Those who complete the gateway, options and follow through parts of New Deal return to JSA and have to complete another 26 weeks on JSA before they are eligible again for New Deal however, they are still counted in the 6month+ unemployed category. To reduce this incidence of ‘churn’ amongst the 25+ claimants on New Deal, the eligibility criteria was amended – claimants would be eligible for New Deal if they had claimed JSA for 18 months over a 21 month period.
- Young people dropping out of training and signing on. Discussions with young people and agencies indicate a number of possible reasons for this:
  - Young people completing the first year of their training who are then unable to secure a placement to complete their second year of training. These young people then join the claimant count when they are eighteen years old.
  - Young people leaving school and starting training who have no clear direction or progression route in mind. They

later drop out as this was not the appropriate progression route for them.

- Young people leave school and embark on NVQ level 2 training. The progression routes available at this stage include level 3 training and university or employment. For those not 'academically' able to progress to a level 3 or University, the links to the labour market after completing their level 2 are not always visible or achievable. This may also link in with the high number of those at 18 who are 'not known' to Connexions.

## **(ii) Young people and the labour market**

From discussions with young people, agencies, organisations and employers a number of key barriers were identified to young people accessing and progressing in the local labour market:

**Employability skills** – it was felt that many young people lack key employability and life skills. Those specifically mentioned included, communication skills, confidence, motivation – getting out of bed, personal hygiene, and an appreciation of 'appropriate behaviour' in relation to the workplace. From discussions with employers and training providers it is possible to see their role developing into one of 'parent', providing 'life skills' support to young people eg help with managing money, personal hygiene, getting to work/training on time, taking responsibility for their actions.

**Basic skills**- concern was expressed that despite significant funding to support the improvement of basic skills, this was still a major barrier to young people accessing and progressing in training or the labour market. Changes to the New Deal programme in Hartlepool have seen the introduction of basic skills support in the gateway period to assist with job search and progression to training.

### **Generational unemployment**

It was felt that young people lack role models in relation to training and employment and that this was limiting their aspirations. 7 out of 10 of the young people interviewed stated their parents and other family members were not working –a significant number of parents had caring responsibilities either for other siblings or relatives..–.

The issues was also raised that worklessness was increasingly concentrated in families and communities where a culture of worklessness and benefit dependency was the 'norm' and an accepted way of life. Since 1996 the number of families on benefits with children under 15 in the town has increased overall. However, single parent families have significantly decreased. This could be an indication that New Deal for Lone Parents is having an impact on lone parents families.

### **Structural issues**

- Benefit dependency was felt to impact on this group, particularly in relation to a young person's status (eg in learning, unemployed working) and its impact on the family's benefits. It was also felt to be an issue where young people were claiming incapacity benefit, where minimum wage jobs are not that attractive in comparison.
- Macro economic issues – there was felt to be a lack of jobs resulting in a significant number of young people taking up training

### **Recruitment and training of young people**

Employers were not always clear about "how to go about" recruiting young people under the age of 18. Where recruitment and retention of young people had been successful this was attributed to:

- Good local networks – local businesses embedded in local communities
- Employer had employed the young person straight from school and invested significant training and support. One employer felt that when young people leave education/training at 18-20 they were less inclined to "learn a trade and more difficult to mould".
- Employer assumes the 'parent role' providing significant social and emotional support to young people.

The young people interviewed felt there were not enough jobs advertised for young people. Job adverts tended to ask for people with experience.

### **(iv) Impact of Mainstream Provision**

From the data on claimant count and duration, there would appear to be a link between the introduction of New Deal in 1998 and the reduction in numbers claiming JSA who are over 6 months unemployed. However, young people can access additional training and employment support initiatives aimed at enhancing New Deal provision provided through the voluntary and community sector as well as the local authority and therefore, it is not possible to isolate the impact of New Deal.

Furthermore, data on young people on New Deal in Hartlepool in terms of destinations is not available. This means it is not possible to analyse the impact of New Deal on the flow of young people on and off the register to



gauge the extent to which New Deal has supported young people into employment or training and how sustainable that destination has been. From discussions with JCP it would appear that:

- New Deal data recorded and collated by JCP is only available on a Tees Valley wide basis and cannot be interrogated for Hartlepool only
- Performance is measured by contractor not by area or cohort
- Targets and measures have changed over time making any form of time series analysis difficult.

Feedback from young people on New Deal was limited as only two young people had experience of New Deal. Both young people had completed the gateway elements of New Deal and were about to start 'employment' with Hartlepool Borough Council's intermediate Labour Market Programme as a result of joint working between Economic Development and the Leaving Care Team. Both young people would have liked more intensive support from New Deal. One of the young people had completed a short training course whilst on New Deal which he found useful but had then sourced employment himself and with the help of his social worker. The other young person would have liked more proactive job search support during the gateway period.

### **Evaluations of New Deal**

An initial search for local evaluations of New Deal for Young People has revealed very little. There have been numerous national evaluations that comment on the performance of the programme and the experience of young people.

**Joseph Rowntree Foundation- The New Deals: The experience so far** (July 2000) found that just under a half of young people participating on the programme had found work and three quarters of these were sustained jobs. The report goes on to suggest that the programme had led to a reduction in youth unemployment by about 30,000 in the first year, but also raises the issues that some of these would have got jobs without the programme. Research undertaken by David Wilkinson (2003) concludes that the New Deal programme has reduced youth unemployment, "a significant part of the impact has come from young people who no longer claim unemployment benefit for 6 months and hence do not qualify for New Deal. For those that did participate in the programme, the largest effect is an increase in the proportion of young people who left unemployment to go into GST".

These findings are supported by a study undertaken by **Duncan McVicar and Jan M Podivinsky** in 2003 '**Into Jobs or into the classroom**' which found that the New Deal for young people boosted exit rates to all destinations\* at different durations of unemployment but identified a previously unidentified primary effect to "shift large numbers of young people out of unemployment and into education and training".

\*definition: employment, other benefits, education and training, other

This study went on to pose the further question “it is not yet clear whether these young people are subsequently more employable as a result of the intervention”. Without data on the destinations of young people in Hartlepool on New Deal, it is not possible to comment on the impact on exit rates or employability.

There exists a consensus that job search programmes work best in dynamic labour markets and that whilst “active labour market policies can assist the long term unemployed, the key to widening the opportunities available to the unemployed and work poor is sustained employment growth” (CLES report pg 8).

With reference to learning and training provision for the 18-24 age group, many of the issues raised in the section 4.1?? apply:

- Provision is not closely enough linked to the labour market and ‘real jobs’.
- Young people completing NVQ level 2 training who are not ‘academically’ able to progress to a level 3 or University are struggling to make the transition to the labour market.
- Impact has been curtailed due to young people ‘dipping in and out’ of provision. This fragmented nature of support often dilutes any positives outcomes.

Whilst assessing the impact of mainstream provision has proved a very difficult exercise, it has raised a number of important issues:

- Additional data and further interrogation of available data is needed in relation to:
  - (i) Claimant count and duration of unemployment – in particular flow on and off the register to investigate further the potential links between claimant flow and :
    - Avoidance of New Deal
    - Young people dropping out of training
  - (ii) Incapacity benefit claimants – further understanding is needed of this group to ensure support can be targeted to prevent long term dependency on this benefit..
- In order to ensure the development of new and existing training and employment projects in Hartlepool can benefit from the experience of New Deal, systems for recording, collating and sharing data need to be developed and implemented.

## 4. Gap Analysis

From discussions with young people, agencies and organisations it is possible to identify a number of areas where additional resources could be targeted.

**1. Links to the local labour market.** Training and employment support must be closely linked to current and future opportunities in the local labour market. Employers are central to this and need to be:

- Involved in the design and delivery of programmes.
- Enabled and supported to provide work experience and placements to young people. The brokerage of placements is crucial to ensure young people complete their programmes.
- Enabled and supported to provide more waged apprenticeships.
- Involved as earlier as possible. Employer involvement needs to start in schools with clearly identified progression routes with training.

Specialised Diploma Lines will be available from 2008 onwards to learners aged 14-19 within applied settings and contexts. They are designed to meet skills needs of employers and on this basis should assist in bridging the gap between learning and the labour market.

**2. Sustained support for those with multiple barriers.** Mentoring was seen as an initiative that could provide sustained support to this target group.

**3. More Intermediate Labour market provision** – in linking points 2 and 3 together, ILM type activity can provide intensive support clearly linked to the labour market, engaging local employers and leading to real jobs. This provision would need to be available across the age range 16-24.

**4. More training and vocational tasters.** This would provide more opportunities for young people to gain a real insight into different courses and areas of work before making decisions as to which training/vocational route they would like to go down.

### 5. Information, advice and guidance

- Additional support needed for those that drop out of training or are in danger of dropping out of training. Once a progression route had been identified additional support is needed to ensure that young person does not become NEET.
- More focused and clearly linked to progression routes to the local labour market

**6. More intensive and focused support for those young people unemployed under 6 months** to ensure they identify an appropriate progression route and that their engagement and retention in that provision/opportunity is supported to prevent them returning to the claimant count.

## **7. Funding**

- Funding needs to be more flexible to respond to the needs of those hardest to reach
- More provision needs to include flexible grants to support young people to overcome barriers to accessing and staying in training and employment.

## **5. Conclusions and Recommendations**

### **Conclusions**

#### **Young People 16-18**

The majority of young people at 16 are identifying progression routes – the vast majority of these into further learning (71.7%). However, for a significant number of these young people this is not a sustained outcome and they are disengaging from learning for a variety of reasons:

- Lack of direction – “I don’t know what I want to do” and many seem unsure about progression routes
- Unable to secure a placement
- Inappropriate provision often due to:
  - basic skill needs
  - ‘academic’ teaching and learning styles

The majority of young people are signposted to education and training at 16 as they cannot claim JSA. Employers and young people rarely saw employment between the ages of 16-18 as a possible option.

There was a general consensus that training and education was not adequately preparing young people for the labour market. Whilst Hartlepool has high rates of people achieving NVQ level 1 and 2, how far is this training improving their employability and assisting them to get jobs?

#### **The NEET Group**

There are vulnerable groups within the NEET group who require targeted and intensive support – in particular teenage parents and young carers. The wider issues of social deprivation and generational unemployment also need to be addressed before issues relating to learning or employability can be addressed. It was evident that training providers and employers were confronting many of these issues on a daily basis and in some instances assuming the role of ‘parent’ to provide these young people with the necessary level of support.

#### **Barriers to training and employment**

Young people face particular barriers in relation to their engagement and retention in training and employment:

- Lack of employability skills
- Lack of basic skills
- Structural barriers, including benefit dependency and a lack of jobs in the local labour market

## **Impact of mainstream provision**

Over the last 10 years Hartlepool has seen a reduction in the number of 18-24 year old claimants. But there is insufficient data available to ascertain the impact of New Deal on this reduction or to analyse the destinations of these young people. Within this cohort there is significant 'churn' on and off the claimant register which would be consistent with feed back from young people, agencies and organisations that young people are dropping out of provision or avoiding New Deal, however, without further data and analysis this cannot be confirmed.

The young people interviewed and feedback from agencies identified a very clear lack of aspiration and inspiration in relation to some of the provision available. However, there was a general consensus that mainstream provision had the potential to make a difference to young peoples' training and employment opportunities and to their lives in general, but it was felt that this was down to how individual providers delivered the programmes and that due to the sometimes fragmented nature of provision the support to ensure their learning and experience gained from various programmes of support was translated into positive outcomes, was often lacking.

## **Recommendations**

### **Data**

There are a number of data issues that need to be addressed

- More in depth analysis of 18-24 claimant count and flow
- Data on the delivery and outcomes of New Deal for Young People in Hartlepool.

In order to gain as full an understanding of this claimant group systems for recording, collating and sharing data between agencies need to be developed and implemented.

### **Potential projects areas**

**Extending ILM type activities** across the age range to provide intensive support that can effectively address issues of basic skills, employability and wider social issues. Consideration needs to be given to extending current provision to 12months and introducing increments as incentives. Particularly with the 'hard to reach' groups a significant amount of resources and multi-agency working is required to remove more fundamental barriers eg care, financial/benefit, health, housing, aspirations

**Support for those young people unemployed under 6 months** to ensure they identify an appropriate progression route and that their engagement and

retention in that provision/opportunity is supported to prevent them returning to the claimant count.

**Support for young vulnerable young people** – ensure existing and new provision can be targeted to the needs of vulnerable young people as identified in this report: young people leaving care, teenage parents, young carers and those with other ‘family issues’, homeless young people, young people with mental health issues, dependency issues and learning difficulties and disabilities. This also touches on the need for **support for those young people on incapacity benefit**. A greater understanding of this group and the support they require to move into training or employment is needed.

**More training and vocational tasters** to provide young people with the opportunity to gain a real insight into different courses and areas of work

**IAG** must be focused and clearly linked to progression routes in the local labour market and provide targeted support for those that drop out of training or are in danger of dropping out of training.

**Explore the potential for social enterprise activities** to support young people in training and employment opportunities

**Further consultation with young people, agencies and organisations**  
The research brief ‘threw a very wide net’ over the issues to be explored. This initial report has highlighted some of the key areas that require further exploration.

### **Other issues**

Impact of the EMA needs to be monitored in terms of how far it assists young people to engaged and stay engaged in learning.

## **Appendix 1**

### **Interviewees**

Tom Argument, Hartlepool Borough Council – 14-19 Coordinator

Rick Wells, Principal, Hartlepool Sixth Form College

Terry Curren, English Martyrs Sixth Form College

Trevor Mortlock and Susan Alderson, Job Centre Plus

Dave Waddington and Paul Marshall, Hartlepool College of Further Education

Marjorie James, Community Empowerment Network

Miriam Robertson and Terry Wilson, Connexions Tees Valley

Sue William, Denise Taylor and Paul Johnson, Hartlepool Borough Council,  
Hartlepool Working Solutions

Dane Mills, Managing Director, Flexability

Leo Gillen,

Gill Dunn, Call Centre Manager, Garlands

### **Respondents to Questionnaires**

Stephen Wright, Partnership Manager Learning and Skills Council

Chris Wise, West View Project