



**Cities for Active Inclusion**

## **The active inclusion of young people: Birmingham**

**EUROCITIES NETWORK  
OF LOCAL AUTHORITY  
OBSERVATORIES ON  
ACTIVE INCLUSION**

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### **CITIES FOR ACTIVE INCLUSION**

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The EUROCITIES Network of Local Authority Observatories on Active Inclusion (EUROCITIES-NLAO) is a dynamic network of nine European cities - Birmingham, Bologna, Brno, Copenhagen, Krakow, Lille Métropole - Roubaix, Rotterdam, Sofia and Stockholm - each with a local authority observatory (LAO) within its administration.

Their aim is to share information, promote mutual learning and carry out research on the implementation of active inclusion strategies at the local level. The nine observatories are coordinated by EUROCITIES, the network of major cities in Europe, and supported through a partnership with the European Commission (DG Employment, Social Affairs and Inclusion).

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# 1. Introduction

## 1.1. National context

The social exclusion of young people is closely linked to unemployment, and in recent times there has been a heightened national focus on youth unemployment in the UK. The latest figures from the Office for National Statistics show that youth unemployment has remained at near record levels for the past two years, and is now around the same level as in the early 1990s.

In the final quarter of 2010, unemployment for 16-24 year olds who were not in full time education or training reached 691,000.

A further concept in the analysis of UK youth unemployment is worklessness, or economic inactivity. Worklessness is broader than traditional measures of unemployment: it includes all those of working age who are not in work, not in full-time education or training, and not actively seeking work. So it includes not only people registered as unemployed, but also people who are outside the labour market voluntarily, for example, due to family responsibilities or early retirement; and also those who cannot work and are claiming social security benefits, due to illness or disability, or because they are carers<sup>1</sup>.

Worklessness tends to relate to the problem of long-term unemployment and also to dependency on government benefits. People who are workless often remain out of work for extended periods of time. This contrasts with unemployment, which can include people who are between jobs and therefore only unemployed temporarily.

In addition, worklessness can have intergenerational effects: if a young person is part of a workless family, it can reduce their social capital, lower their aspirations and restrict their access to positive role models. This decreases their ability to access the world of work. In short, worklessness among young people and their families can lead to wider social exclusion problems for these young people.

Many of the interventions to tackle worklessness in the UK, such as raising skill levels and creating jobs, are delivered through strategic partners and the private sector. But local authorities also play a significant role, through leadership and influence, as well by providing direct or commissioned services.

For the purpose of this report, it is important to highlight that in the UK, young people are defined in different ways, according to differing statistical methods and policy initiatives. For example, the Department for Education focuses on young people aged 14 to 19, whereas the Department for Work and Pensions focuses on young people aged 19 to 25.

<sup>1</sup> The measure of worklessness used by the Department for Work and Pensions is the Working Age Client Group (WACG) which includes people receiving the following benefits: Jobseekers Allowance; Incapacity Benefit/ Severe Disablement Allowance; Income Support; Disability Living Allowance; Carer's Allowance; Bereavement Benefit; Pension Credit and Widow's Benefit.



## 1.2. Birmingham: city context

Birmingham is in the UK's West Midlands region. Home to over a million people, Birmingham is a vibrant city that attracts increasing numbers of visitors. It is the UK's second largest city by population, and has the youngest profile of any major European city: 37% of the population is under 25. However, the city has severe problems relating to youth unemployment: Birmingham has the highest rate of youth unemployment among the UK's nine largest cities: all the UK 'core' cities plus London (see Annex 2: Figure 1).

### Long-term worklessness

Long before the national unemployment statistics became of increasing political importance as a barometer of the depth of the UK recession, Birmingham recognised a much more deeply rooted and persistent unemployment challenge in the city. The problem of worklessness is a primary characteristic of Birmingham, and many people are often out of work for years, or sometimes decades, at a time.

The current recession has increased the problem of worklessness in Birmingham even further. During 2008 and 2009, unemployment increased sharply in the city, resulting in the highest levels of unemployment for over a decade. Unemployment then stabilised at the end of 2009 and fell month on month from November 2009 to September 2010. However, between October and November 2010, unemployment increased again. The latest data for March 2011 shows that seasonally adjusted unemployment increased slightly to 46,117 (11.4%).

In Birmingham, worklessness manifests itself in different ways in different areas. In the outer areas of the city, there are smaller pockets of worklessness but these tend to be for the longer term. In the inner areas of the city, there is a greater density of worklessness, but this tends to be shorter term.

### Worklessness among 16 to 18 year olds

Social inclusion for young people aged 16 to 18 years is measured in terms of the proportion of numbers that are not in education, employment or training (NEETs).

Birmingham has been identified as a NEET hotspot by the national Department for Education. From 2005 to 2011, under the UK's Local Area Agreement policy, local authorities, including Birmingham, were set a NEET target for their area. For this, the Department for Education uses the Insight database, developed for its Connexions advice services for young people aged 13 to 19. The local Connexions Birmingham service is the key partner working on the active social inclusion of 13 to 19 year olds with Birmingham City Council.

The NEET data provides a snapshot of the number of NEET young people at one point in time, based on the live Insight database. The data indicates that just over 7% of the 31,000 or so 16-18 year olds in Birmingham are NEETs. (The status of just over 3% of 16-18 year olds is not known.)

Young people who are NEETs in Birmingham live in a wide spread of districts. However, an analysis in April 2010 by Connexions Birmingham showed that the 292 young people who were



registered as NEETs (more than half the total NEETs in the city at that time) lived in four postcode districts: Saltley and Washwood Heath; Sparkbrook; Bordesly Green; and Small Heath. These are inner city districts with high deprivation rates: they have a high percentage of South Asian young people, including those from newly arrived communities, with parents who were not born in the UK; and they also have a high percentage of young white males, particularly Saltley and Washwood Heath.

Progress is being made however: the number of NEETs in Birmingham has been reduced over the last three years. By February 2011, an average of 2,254 Connexions clients were NEETs (6.95%), compared with 2,400 (7.17%) in February 2010.

NEET figures are also affected by seasonal fluctuations: there is often a peak in June, when young people have just left school and before they access post-16 education, apprenticeships or employment.

### **Worklessness among 18 to 24 year olds**

Unemployment among young people aged 18-24 is measured by the number claiming Job Seekers Allowance: the national benefit paid to people of working age, who are out of work or working less than 16 hours a week. In March 2011, seasonally adjusted youth unemployment in Birmingham rose very slightly to 12,875 i.e. 20.8% of young people aged 18 to 24.

Birmingham has the highest youth unemployment rate of the UK's nine largest cities including London (see Annexe 2: Figure 1). Amongst the eight core cities (which excludes London), youth unemployment in Birmingham is significantly above the core city average of 16.2%.

The pattern of unemployment among 18-24 year olds is somewhat similar to the pattern for 16-18 year olds. The four districts with the largest increases in youth unemployment among 18-24 year olds are concentrated in deprived inner city and outer city areas. For some districts in the city, including Sparkbrook, the proportion of young unemployed males claiming Job Seekers Allowance is approaching 30%. The three districts with the highest proportion of young people aged 18-24 also have high rates of youth unemployment.

## **1.3 Organisation of the active inclusion of young people at city level**

In line with national policies, the organisation of active inclusion services for young people in Birmingham distinguishes between young people aged 14-19, and young people aged 19-24. However, there is a clear overlap in the objectives for both groups of young people: they both require education and skills, pre-employment support, and employment opportunities.

Active inclusion service providers for these two groups of young people in Birmingham are increasingly working together to strengthen their services. For example, the city's adult employment department, which provides services for people aged 18 and over, is also represented on the Birmingham & Solihull sub-regional group which focuses on services for 14-19 year olds. There are also plans for employment service providers for both age groups to collaborate through a single employment and skills board, as part of the new Greater Birmingham Local Enterprise Partnership, which brings together local authority organisations and local businesses.



### **Active inclusion: services for young people aged 14-19**

Services to actively include 14-19 year olds under the government's September Guarantee initiative<sup>2</sup> are organised locally by Connexions Birmingham and the city's Youth Service. They work very hard to prevent the disengagement and social exclusion of school leavers. Every young person identified as not in education, employment or training (NEET), is allocated to a Connexions Personal Adviser who supports them in finding employment or training. They also contact the young person regularly, to follow up on their situation. Organisations offering opportunities for young people include the Birmingham Apprenticeship Scheme. This is part of a national initiative: it encourages local companies to create paid apprenticeships for unemployed young people living in disadvantaged areas of the city.

### **Active inclusion: services for young people aged 19 to 25**

Young people aged 19-25 are eligible for adult employment support and active inclusion services. These are provided by three organisations working together: Birmingham City Council; the Jobcentre Plus vacancy service of the Department of Work and Pensions; and the local office of England's Skills Funding Agency. These three partners work together in line with the new Birmingham Worklessness Protocol. This has been developed to clarify the roles and responsibilities of each partner, to ensure a coordinated and efficient approach.

To help create further jobs and work-based training for young people, Birmingham City Council's Employment Access Team provides support for employers to help them recruit and retain young people, and develop their skills. This is part of the city's Development, Planning and Regeneration service. In addition, the Safer Birmingham partnership, the West Midlands Police, the West Midlands Probation service and the Youth Offending Service, all work together to combat youth unemployment issues and increase active inclusion.

## **1.4 Funding the provision of services for the active inclusion of young people**

Finance for the active inclusion of young people in Birmingham comes from a variety of sources. In addition, the objective of tackling economic exclusion and unemployment forms part of one of the key objectives in the City of Birmingham's Council Plan: to help citizens succeed economically. This involves improving skills and education and increasing opportunities for young people not in education, employment and training (NEETs). Therefore, as part of its Council Plan, Birmingham has a commitment to funding mainstream services that support young people into employment, education or training. These mainstream services are supplemented by additional short-term initiatives and local schemes.

<sup>2</sup> The September Guarantee is a process that helps local authorities to meet their statutory duty to secure enough suitable education and training places for 16- to 19-year-olds in their area. Under the September Guarantee, local authorities provide all 16- and 17-year-olds with an offer, by the end of September, of a suitable place in education or training. The offer should be appropriate to meet the young person's needs and may be in a school, college or in work-based training.



## Connexions Service

The national Connexions service, which offers free guidance to all young people aged 13-19, is funded by the Department for Education. In Birmingham this service is delivered by Connexions Birmingham, part of Birmingham City Council's Children, Young People and Families directorate. Connexions Birmingham extends its services up to the age of 25 for young people with learning difficulties and/or disabilities.

## National Apprenticeship Service

The National Apprenticeship Service was set up to increase the number of paid apprenticeship opportunities in England and to provide a dedicated, responsive service for both employers and apprentices. Apprenticeships bring considerable value to employers, individuals and the economy. Businesses across the country are now increasingly recognising the enormous benefits of apprenticeships, not only in terms of creating a highly skilled workforce but also by boosting productivity and staff retention.

Research conducted by the Young Foundation<sup>3</sup> indicates that work experience and work-based training are very important to young job seekers. However, paid apprenticeships, which do even more to build jobseeker confidence and motivation, still remain few and far between.

## The new European Social Fund 2007-2013

Birmingham is part of the West Midlands Region which now has two organisations that are benefiting from European Social Fund (ESF) match funding, in order to support active inclusion: the Department of Work and Pensions through its regional Jobcentre Plus job search service; and the Department of Innovation and Skills, through its Skills Funding Agency. Working in partnership with local councils and third party service providers, these two organisations are addressing worklessness and improving access to the labour market for disadvantaged people.

Since 2008, this ESF co-financing has funded a variety of bespoke projects to help the NEET cohort in the West Midlands. So far a total of more than €230 million (£200m) has been allocated to these initiatives: 50% funded by the ESF. This represents a significant resource. The Skills Funding Agency has agreed new contracts with new service providers to further help reduce the numbers of NEETs.

For 2010 onwards, there are fundamental changes to the national Skills Funding Agency co-financing Programme. This is mainly due to the change in government in 2010, and the subsequent policy shifts set out in the government's Skills White Paper published in autumn 2010. Regional co-financing has been superseded by a national framework; and future ESF finance will focus on clients who are actively seeking work. It will no longer support people who are classified as inactive. This is also the case for the Department for Work and Pensions' co-financing initiatives: these will focus on complementing the Department's new Work Programme which replaces current welfare to work programmes from 2011 onwards.

<sup>3</sup> [www.youngfoundation.org/publications/reports/signing-experiences-worklessness-birmingham-january-2011](http://www.youngfoundation.org/publications/reports/signing-experiences-worklessness-birmingham-january-2011).



The new framework means that the 33 local authorities in the West Midlands are no longer able to participate in procuring ESF match funding. However, local service providers financed through the ESF will still work with local authorities to ensure that their services meet identified local needs.

From 2002 to 2008, under the previous European Social Fund scheme, Birmingham City Council was an intermediary ESF co-financing organisation and directly managed an ESF grant of some €9.8 million (£8.54m), resulting in a total programme budget of some €21.8m (£19m). With this budget services were successfully provided in districts of urban deprivation in Birmingham to improve active inclusion. The success of one of these projects was highlighted in the 2007 interim report: Employment Connections, a project in the Aston district of Birmingham which was implemented by the Aston Pride partnership, was the best-performing employment programme of any of the country's area-based New Deal For Communities initiatives.

Birmingham City Council believes that, subject to political support, if match funding could be provided, perhaps through national programmes, the city would continue to successfully deliver ESF co-financing programmes either as an intermediary body or as a managing agent. Birmingham City Council would welcome the ability to fund further activity focused on deprived districts in the city.

### Future Jobs Fund

A recent national initiative to fund job-creation was the Future Jobs Fund. With a budget of around €1.1 billion (£1 billion) this supported the creation of jobs for young people who were unemployed long term, and for others facing significant disadvantage in the labour market. Most of the jobs were in public sector organisations, charities, and social enterprises.

The Fund was announced in 2009 and was run by the Department for Work and Pensions, in partnership with the Department for Communities and Local Government, and with input from Jobcentre Plus and regional government offices in England.

The Fund formed part of the Young Person's Guarantee and aimed to create 150,000 jobs, of which 100,000 were aimed at 18-24 year olds. From early 2010, everyone aged 18-24 who had been looking for work for a year and was claiming Job Seekers Allowance, was offered a job, or work experience, or training, for at least 6 months.

Although the government encouraged job creation in all areas of the country, a specific aim was to create 50,000 jobs in areas of high unemployment. In addition, it was planned that at least 10,000 jobs would be in the green, environmental, sector; and at least 15,000 would be in social enterprises. By the end of March 2011, the scheme had funded over 100,000 jobs across the country.

In Birmingham, FJF was co-ordinated by the Be Birmingham Partnership and it also had the largest FJF contract in the City Region, with the highest target number of jobs to achieve. The programme was extended to 18 months, to March 2011, originally for March 2010 and the jobs target for the Be Birmingham programme was re-profiled.

The target for Be Birmingham in Phase One, to March 2010, was 750 employees, which was achieved, and for Phase 2, April 2010 to March 2011, it was 1800, totalling 2500 employees across the programme. The programme was on target to achieve 2857 employees into jobs by the end



of March 2011 leading to feedback from employers, employees and strategic partners indicating that the Be Birmingham FJF programme has been successful. It has led, for some FJF employees, to new opportunities, in some cases resulting in new jobs and change for individuals.

Due to efficiency measures, no new jobs will be funded under this initiative. However, the government is planning new schemes to encourage private sector apprenticeships and work experience placements for young people.

### **Working Neighbourhoods Fund**

The Working Neighbourhoods Fund was established as part of the government's drive to tackle worklessness, deprivation and low levels of skills and enterprise, through concentrated, community-led approaches. It formed a distinct element of the general unrestricted area based grant that provided extra resources to local authorities.

Within the WNF programme 'NEET' employment support contracts have been commissioned on a local constituency basis responding to needs of unemployed clients aged 18-25, identified in local Employment and Skills Plans. Intermediate Labour Market initiatives, also commissioned on a constituency basis, have provided opportunities for those with limited work experience, including young people.

Birmingham's Working Neighbourhoods Fund programme was developed by Be Birmingham: a local strategic partnership of business, community, voluntary, faith and public sector organisations, working together to create a better quality of life in the city. Guidance from the national Department for Work and Pensions and the Department for Communities and Local Government ensured a multi-agency approach: this helped to create and sustain local enterprise, and to increase the demand for labour in and around local neighbourhoods with high worklessness. A multi-agency approach also ensured the programme would address the barriers preventing people in deprived areas from accessing jobs. In addition, targets and implementation plans were agreed with partners across the private, voluntary and community sectors.

The Working Neighbourhoods Fund programme reflected the city's long-term vision for Birmingham in 2026, and its 19 key local priorities for 2008/11. These are set out in Birmingham's sustainable community strategy, within its Local Area Agreement.

The Working Neighbourhoods Fund's Worklessness Programme completed in March 2011, with small scale transitional funding arrangements.



## 2. Policy and practices for the active inclusion of young people

Birmingham is highly committed to continuing to tackle worklessness, especially among young people, and to improving quality of life outcomes for all citizens, particularly those living in the most deprived areas. Local services for the active inclusion of young people in Birmingham operate within a national policy context.

### 2.1. Practices for the active inclusion of young people aged 14-19 years

In Birmingham, the following practices will help to actively include more young people aged 14-19:

- **New curriculum for post-16 education:** to increase participation of young people in post-16 education, and ensure a smoother transition from compulsory schooling, the city is developing a new curriculum for young people: this will reflect the varying aptitudes of young people, with more focus on vocational and practical learning, and new subject options. New qualifications will include diplomas linked to industrial and occupational sectors such as engineering, hairdressing, sport and leisure, and construction. This will help to address the key transition period when young people choose their subject options for post-16 education.
- **Apprenticeships:** the city and its partner organisations are working to encourage more firms to offer apprenticeships, in line with government strategies that would like to see one in five young people being given an apprenticeship, an example of which is the Birmingham Apprenticeship Scheme.
- **September Guarantee:** under the national September Guarantee, Birmingham offers all young people aged 16 and 17 who stay in secondary education until after the statutory leaving age(16 years), a place in further education or training: this has to be appropriate to meet the young person's needs, and may be in a school, college or work-based. The city therefore works to ensure it can provide enough suitable education and training places for these 16- to 19-year-olds.
- **Raising the participation age:** under major new government policy, by 2013, all young people aged 17 and under will have to be in some sort of education or training, including work-place training. By 2015 this will include all young people up to 18 years. Birmingham City Council is therefore already working to ensure that the city will have enough provision locally by the target dates. In effect this is an extension of the work that is being done for the September Guarantee, but instead of simply offering further learning beyond 16, this will become mandatory. It could be argued that there will no longer be NEETs (young people not in employment, education or training), but ensuring participation is still likely to be an issue with some young people.
- **Foundation Learning Programme:** in line with national policies, the city is introducing a Foundation Learning Programme for young people with low skills: Level 1 and below. The



programme will focus on: basic English, maths and information technology skills; personal and social development; and vocational subjects. Successful learners are expected to progress to an apprenticeship or a further education college and/or employment.

- **Education Maintenance Allowance/16-19 Bursary:** The national Education Maintenance Allowance provided young people with a weekly allowance for attending school post-16: most young people in Birmingham who stayed on at school post-16 received this allowance, and it was seen by many as an important mechanism for helping young people to stay in education. Due to efficiency cuts, this has been replaced by a much-reduced scheme of financial support for only the most disadvantaged young people, called the 16-19 bursary.

Policies and practices for the active inclusion of young people in Birmingham will be affected by the recent change in government. The UK's new coalition government, elected in May 2010, places a different emphasis on the 14-19 age range compared with the previous (labour) government, with less focus on creating policies specifically for 14-19 year olds.

There is still a commitment to raising the participation age; and there is still a commitment to supporting apprenticeships, although the funding for this has been significantly reduced.

However, in general, there is a much more traditional approach to the work-related learning for young people: various funds set up by the previous government to encourage work-related learning have been closed or are being allowed to come to an end. These include Education Business Partnerships, Young Apprenticeships and the Diploma Entitlement for young people.

## 2.2 Practices for the active inclusion of young people aged 19 to 25 years

A number of programmes have endeavoured to actively include young people aged 19-25 in Birmingham, including the Future Jobs Fund, other European Social Fund ESF projects, and the Working Neighbourhoods Fund.

Birmingham City Council's new Corporate Employment and Skills Action Plan identifies how Birmingham City Council services can work even more effectively with local and regional partners in the future: to actively include young people aged 19-25, by improving skill levels and tackling unemployment.

This Corporate Employment and Skills Action Plan highlights the following six priorities for Birmingham City Council, to ensure the city's active inclusion initiatives achieve the greatest impact and added value:

- **leadership role:** the City Council will take a more clearly defined leadership role in addressing the employment and skills issues in the city;
- **improved employment and skills services:** the council will focus on developing new extended employment and skills services for young people, in line with national policies;
- **procurement and skills planning:** the council will further leverage its procurement and planning role in order to improve employment and skills outcomes, for example, as already trialled with several employers: these include Network Rail, which is agreeing targets for jobs and skills within their work contracts;



- **council apprenticeships:** the council is extending its in-house apprenticeships and has already converted at least 60 jobs into apprenticeships; this will continue, focussing particularly on 16-24 year olds;
- **working closely with employers:** the city's employers are vital in creating jobs for young people, and Birmingham City Council is working to ensure even more effective employer engagement;
- **prevention of long-term unemployment:** to help prevent the city's young people becoming the long term unemployed of the future, Birmingham's Children Young People and Families Directorate and its Development Directorate are working together to ensure closer collaboration with the Connexions teams and the Employment Access Team, to integrate the opportunities offered to 14-19 year olds, the opportunities offered to 19-25 year olds, and the work undertaken with the city's employers.

## 2.3 Employment Access Team

Birmingham's Employment Access Team provides a free advice service to employers in the city, to ensure they have all the guidance they need to recruit and retain a skilled, flexible workforce, and to help them generate new jobs and new apprenticeships. The team brings together the collective resources of Birmingham City Council, Jobcentre Plus, and Connexions Birmingham, to increase the skills and employment opportunities in Birmingham, through regeneration, area development, and planning. The team also helps ensure that the jobs created through the work of the City Council and its partners are accessible to everyone in Birmingham, particularly those facing disadvantage. In difficult economic times, this aspect is more important than ever.

The key roles of the Employment Access Team include:

- working with developers, contractors and employers to ensure that it is local people in Birmingham who are provided with any newly created employment and apprenticeship opportunities;
- identifying new employment and training opportunities as soon as they arise, for example as a result of new business developments, by capitalising on the wide ranging networks of the City Council and its partners;
- delivering tailored training programmes in conjunction with the Skills Funding Agency to ensure that local people are sufficiently skilled to take up local job opportunities;
- encouraging council contractors and other employers in the city to further develop the skills of their existing workforce.

The Employment Access Team has recently worked with the following organisations to create jobs for local people: The Manufacturing Training Routeway coalition of employers; the confectionery company Cadburys and the Birmingham solar panel social enterprise, Positive Energy Solutions Ltd.



## 3.Challenges

### 3.1 National / local resource challenges

The UK, as is the case across the EU, is in the midst of a very tough economic climate. Public sector cuts became a reality this year (2011) with the coalition government's comprehensive spending review. Over €2.3 billion (£2bn) worth of projects have been cancelled, including the Future Jobs Fund, six month recruitment subsidies, the Young Person's guarantee, Job Seeker's Guarantee, Education Maintenance Allowance; and there is to be a massive rise in higher education tuition fees.

Previous funding for employment support programmes in Birmingham has come from external funding streams, rather than from Birmingham City Council's main budgets. As Birmingham City Council looks to cut €366 million (£320 m) from its budget in less than four years, the challenge remains to seek other mainstream funding for employment support, for example working with Jobcentre Plus. It is therefore up to the Council and other partners to work together to secure resources for the future.

In addition, as part of its plan to get Britain working, the government has announced its intention to simplify its back to work programmes and replace all existing employment schemes with a single Work Programme<sup>4</sup>, due to be introduced in 2011.

It has also set out a number of major welfare-to-work reforms which aim to fight poverty, support the most vulnerable, and help people break the cycle of benefit dependency. This will provide an integrated package of tailored, personalised support for those people who need it most: sooner rather than later. This is a departure from the generic one-size fits all approach.

Although the Work Programme provides a central core of support that will be delivered locally, Birmingham City Council recognises that it will need to harness a wide range of talent, ideas and good practice to help the most socially excluded find employment. The government's perspective is that local authorities will need to collaborate with the local business sector, the voluntary sector and the social enterprise sector, to provide the necessary additional support to help people into work. The local challenge in implementing the Work Programme lies in local accountability, and responsiveness to local needs, given that it is a nationally commissioned programme largely administered on a regional rather than local basis.

### 3.2 European/local resources challenges

In terms of EU funding and local projects, there appears to be a lack of alignment between European Social Fund (ESF) priorities and local priorities in England's ESF programme. This is because projects are co-financed through national programmes and are delivered through large scale contracts, which prevents local grass-roots organisations from playing a full role in determining project objectives and delivery. In England, ESF projects tend to focus on helping those nearest to the labour market find jobs, because the results are easy to quantify. Despite a pressing need, there are currently few if any ESF projects that actively include those furthest from the labour market and those most socially excluded, as these are more difficult to measure.

<sup>4</sup> [www.dwp.gov.uk/newsroom/press-releases/2010/nov-2010/dwp162-10-251110.shtml](http://www.dwp.gov.uk/newsroom/press-releases/2010/nov-2010/dwp162-10-251110.shtml).



### 3.3 Challenges in the alignment of local inclusion programmes

The distinction at a national level between services for 14-19 year olds and services for 19-25 year olds, and the separation of responsibility for these two groups between the Department for Education and Department for Work and Pensions, is mirrored locally across the UK, including in Birmingham. The challenge is to create an effective local partnership between the two areas of service, and align local social inclusion programmes for the two age groups.

### 3.4 Ongoing challenge for young people in need of active inclusion

For young people who are workless or at risk of being workless, there is an ongoing challenge to re-engage and support them, to avoid long-term unemployment and the associated costs to themselves and to society: both directly through benefit payments, and indirectly through associated support services<sup>5</sup>.

Work provides much more than an income. Working helps shape our sense of positive self-worth and identity, and affects the decisions we make in our everyday lives: these in turn help to include us in society. Work also opens up new social networks, which can make a significant positive difference.

On the other hand, being out of work can lead to poor psychological well-being, and can amplify the problems of social exclusion, especially for unemployed young people who are living alone, and who are isolated as well as excluded.

With the increase in university tuition fees for students in England from around £3,000 to £9,000 a year, many will be deterred from going to university, and so the numbers of young people looking for work may increase. In addition, it is also increasingly difficult for graduates to find work. Data from the Office of National Statistics suggests graduates have been hit hardest by the economic downturn, with unemployment amongst university leavers increasing faster than the jobless rate in the UK as a whole. In the last quarter of 2010, graduate unemployment rose from 10.6% to 20% compared to the 5.2% to 7.9% total rise in UK unemployment.

## 4. Good lessons: examples of what works well

We have chosen the following two examples to illustrate good practice in addressing social exclusion among young people in Birmingham. These projects are not only innovative and creative in their approaches, but they also aim to deal with multiple-faceted causes of young people's exclusion. Both projects demonstrate effective co-ordination between different institutions, both projects link the active inclusion of young people to the provision of minimum income support, and both have achieved positive results.

<sup>5</sup> See further comments on the 'lost generation'.



## 4.1 Birmingham Apprenticeship Scheme<sup>6</sup>

The Birmingham Apprenticeship Scheme, financed by the Working Neighbourhoods Fund, works with local firms to create an additional 150 apprenticeships for Birmingham residents living in areas of multiple deprivation. The scheme aims to increase long-term the numbers of young people aged 16-24 years in Birmingham accessing apprenticeships and therefore employment. It also aims to increase both the range of sectors and the range of employers, primarily small and medium enterprises (SMEs), offering apprenticeships. Overall, this is expected to help the economic recovery of Birmingham and the West Midlands, by developing a more highly skilled workforce, and increasing competitiveness and productivity.

Overall, the scheme provides:

- **a one year wage subsidy:** for 30-40 hours per week at the National Minimum Wage, for young people recruited to a new apprentice position: paid to the employer over the life of the project, to 31 March, 2011;
- **fully accredited apprenticeship training:** training for the young person, funded 100% by the National Apprenticeship Service, for those aged 16 to 24 years.
- **earn as you learn:** apprentices feel valued as they are earning while they learn;
- **financial assistance:** help with purchasing essential, specialist equipment and clothing if required by the apprentice, for specific situations;
- **mentoring and coaching:** a member of the employer's staff is trained to mentor and coach the apprentice; this enables them to support them apprentice in the work place, which helps increase programme retention rates, thereby ensuring improved employability skills among the young people, and improving their contribution to the competitiveness and productivity of the organisation;
- **economic growth opportunities:** employer organisations develop increased skills and knowledge to more effectively support growth and sustainability, thereby contributing towards economic growth.

The particularly innovative element in this scheme is the mentoring and coaching provided to the apprentice. The apprentice's line manager, supervisor or team leader, for example, is trained on a bespoke course in mentoring and coaching in the workplace. This training is delivered by The Learning Consultancy: the leading work-based provider of the national workplace mentoring qualification. It consists of a series of interactive workshops over a 4-6 month period, followed by observation of the mentor in the work place and formal feedback.

The Birmingham Apprenticeship Scheme has placed 170 apprentices into employment, including three who have worked for the scheme itself. At the end of March 2011, 135 young people were still continuing with their apprenticeship: a retention rate of 81% of the apprentices.

<sup>6</sup> Birmingham City Council's Employment Access Team hosted a Swedish delegation in an NLAO shared learning exercise in February 2011 facilitating a shared learning visit on BAS for a delegation from the City of Stockholm, focussing on the development of successful employment and training programmes for unemployed young people.



Analysis of the 32 young people who ended their apprenticeship early showed that:

- 1 has moved to another apprenticeship from another scheme;
- 1 has gone into higher education;
- 1 has started their own business;
- 14 have moved to other employment;
- 4 are still employed, but the employer has left the scheme;
- 10 are unemployed (6%);
- 1 unknown.

Feedback at the end of March 2011 shows that:

- 117 apprentices have been retained in employment for 13 weeks;
- 56 apprentices have been retained in employment for 26 weeks;
- 159 have been retained in employment or started a business or are in education (93.5%);
- 159 have received post employment support;
- 138 are still being mentored and coached in the work place;
- 93 businesses have been supported;
- 79 businesses are still being supported.

The success of the project to date is to a large extent due to the mentoring and coaching support provided. The scheme has been significant in the active inclusion of young people at risk: 92% of the apprentices are from Birmingham's most deprived areas, known as priority Super Output Areas.

Recruitment of apprentices ended in December 2010, however Birmingham City Council will administer the allocated funding until all existing apprenticeships are completed. Birmingham City Council is now looking for new funding so that the scheme can be transferred and continued. The scheme's success suggests that future government policy should consider similar apprenticeship initiatives.

## 4.2. Gang-vulnerable Dedicated Employment and Mentoring Pathways

The second good practice example is the Gang-vulnerable Dedicated Employment and Mentoring Pathways pilot. This was commissioned by the Birmingham Reducing Gang Violence group, which is a priority within the Safer Birmingham Partnership, and which consists of statutory agencies and other partners, including West Midlands Police, West Midlands Probation Service and Birmingham City Council. The pilot was financed by the Working Neighbourhood Fund.



This nine month pilot provided employment support and mentoring to 32 young people who had formed a street gang: 11 of them were under 18 years old, and 21 were over 18. The initiative was designed to help them into employment, education or training. Most of these young people were from black or Asian ethnic backgrounds, which is an important aspect in providing tailored support. There is also evidence to suggest that these young people were from deprived communities where positive social capital is absent. In general, due to their criminal lifestyles, gang members do not claim benefits or register for Job Seekers Allowance, and are therefore considered to be outside the system.

Although they comprise a specific group of socially excluded young people who need to be actively included, gang members are not regularly featured in unemployment research, and are a relatively newly identified group of hard to reach young people. With the help of third sector organisations, who have expertise in the unique barriers to inclusion that gang members face, this innovative pilot showed that gang members can be helped to realise their true potential, and will inform the design and delivery of future policy.

The pilot provided gang members with special pathways to employment, education and training opportunities, to ensure job readiness and employability, through intensive mentoring and support. Each young person was helped using an individual care plan. This included: practical and emotional preparation for interacting with employers and for continuing in employment despite any problems; acting as an advocate between gang members and employers; and helping the young people access the relevant agencies and post employment support, to ensure focus and sustainability.

The organisation that conducted the pilot was also able to provide them with employment opportunities, such as voluntary work, shadowing, work placements, and social enterprise skills.

Working through Birmingham's City United project, community mentors were recruited from the city's voluntary youth mentoring organisation: 100 Black Men of Birmingham. These mentors were essential to the pilot. After basic training to give them an understanding of gang culture and lifestyles, they provided the gang members with positive black role models, thus helping them to develop higher expectations and aspirations for themselves, and to recognise their own potential for mainstream career opportunities. (The mentors were unpaid volunteers, but their expenses were reimbursed.)

The pilot ran for only nine months, which is a very short time to make substantial changes for this group of young people. Nevertheless, significant positive outcomes were achieved:

- 32 clients were referred or contacted directly;
- all 32 clients were involved;
- 6 clients obtained a job;
- 7 clients obtained accredited training;
- 1 client became self-employed.



## 5. Future Plans

With the latest statistics<sup>7</sup> showing the UK youth unemployment rate at 20% (more than twice the 8% unemployment rate for all ages), it is clear that further action must be taken to actively include young people. It will become increasingly important to find additional funding for active inclusion, in order to avoid levels of youth unemployment reaching even greater heights.

Birmingham City Council, its partners, and the organisations providing local employability services have all worked very hard to tackle youth unemployment in the city. Together they have helped to significantly reduce the number of young people claiming Job Seekers Allowance over the last few years. However, the recent recession has applied pressure to services and initiatives across the city, and it is vital that improvements to the existing infrastructure are sought, together with new approaches.

Paid apprenticeships for low-skilled young people remain few and far between. But these can pay a double dividend: by securing the transition towards employment, and by lowering the wage compensation costs that are otherwise paid employers for their training commitment. These advantages have already been demonstrated by the Birmingham Apprenticeship Scheme.

Training is vital, but research suggests that job seekers rarely see the value of training, so there are high drop-out rates. Commissioning more paid apprenticeships and in-work training schemes should therefore be a strong focus for the government's new integrated Work Programme.

Action to prevent disadvantaged young people from becoming disengaged from education and then unemployed not only helps the individual young people themselves, it also brings cost savings. Research suggests that the public sector organisations that stand to gain the most from actions to prevent the exclusion of young people include criminal justice organisations (due to reduced crime), Revenue and Customs (from increased income taxes), and the Department for Work and Pensions (from reduced welfare payments). If one or more of these organisations paid local communities to take action to prevent the disengagement of young people, this would increase the incentive to take action and thereby reduce longer term costs. Crucially also, preventative action to help young people move from school into employment, education or training, would complement the Department for Work and Pensions Work Programme for those aged 18 and over who are already unemployed.

Ensuring good practice survives and is used across different partner organisations for future initiatives is vital in the current organisational restructuring within Birmingham City Council. For example, where deeper skills training needs to be provided to clients, both before and after employment, it can be difficult to access different budgets in different departments. Birmingham's new Employment and Skill's Action Plan will bring together all the city's employment and training services, to help maximize the role of the council in improving jobs and skills for young people in the city.

<sup>7</sup> [www.statistics.gov.uk/pdfdir/lmsuk0111.pdf](http://www.statistics.gov.uk/pdfdir/lmsuk0111.pdf).



## Annex 1: References

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## Annex 2: Data

Figure 1: Non-seasonally adjusted youth unemployment in the UK's core cities compared with Greater London, West Midlands, and the UK: January 2011

	Number	Rate
<b>Birmingham</b>	<b>13,065▲</b>	<b>21.1%</b>
Liverpool	5,840▲	20.0%
Nottingham	3,520▲	17.4%
Manchester	4,880▲	16.4%
Core Cities	43,535▲	16.2%
Sheffield	4,835▲	14.9%
Newcastle upon Tyne	2,430▲	13.8%
Leeds	6,260▲	12.6%
Bristol, City of	2,705▲	9.7%
Greater London	47,585▼	10.2%
West Midlands	47,190▲	15.2%
UK	420,025▲	11.9%

Figure 2: Seasonally adjusted youth unemployment rates: Birmingham, the West Midlands Region and the UK: Jan 2000 - Jan 2011

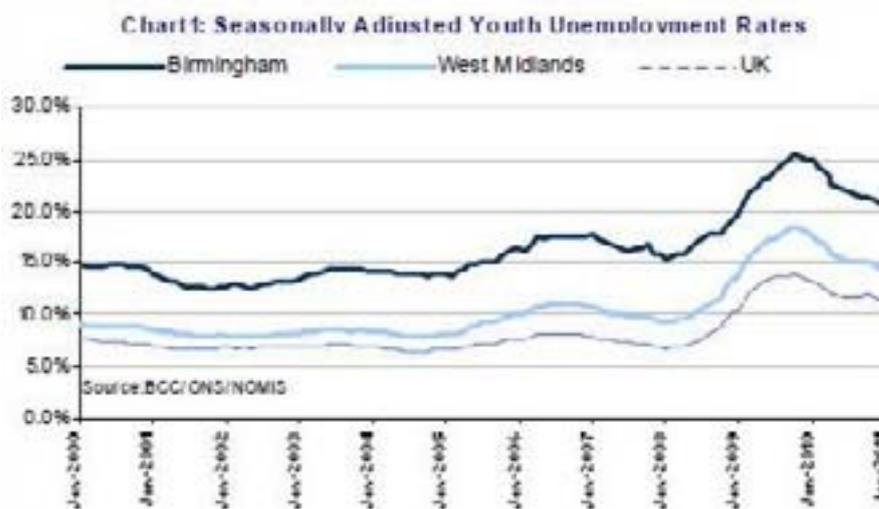




Figure 3: Annual change in youth claimant count unemployment by SOA: January 2010 - January 2011

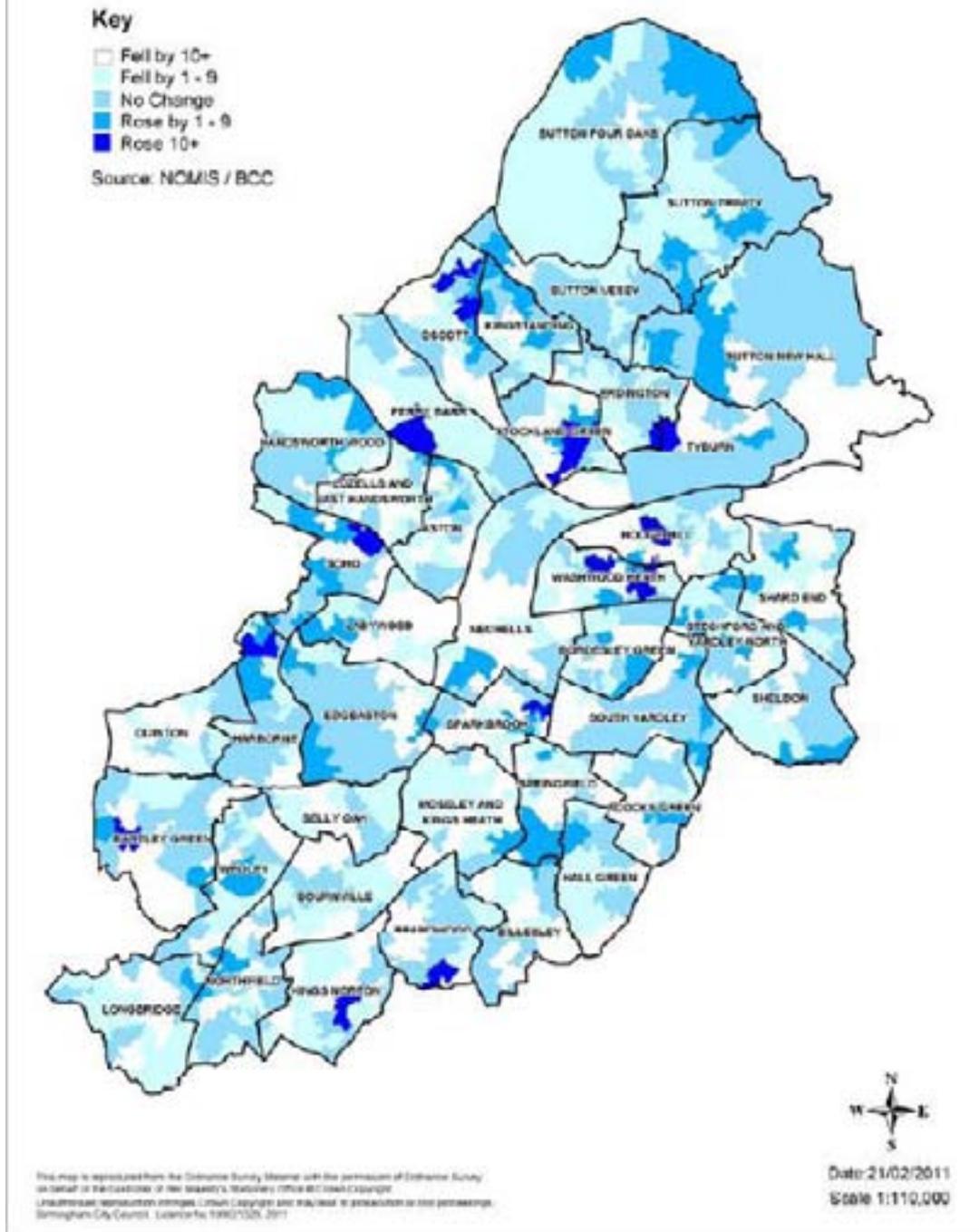




Figure 4: 16 to 18 year olds not in employment, education or training (NEETs): Comparison of Seasonally adjusted figures for: 2008/9; 2009/10; 2010/11 Source: Department for Education: Connexions Service

