
Cabinet

7th May 2013

Report of the Cabinet Leader

Economic Infrastructure Fund – Proposals

Purpose

1. This report sets out three proposals for Economic Infrastructure Fund (EIF) allocations: (1) LCR Revolving Investment Fund (RIF); (2) LCR transport infrastructure proposals; and (3) Economic Inclusion.

(1) LCR Revolving Infrastructure Fund (RIF)

Background

2. As set out in the Cabinet report, Growing the York economy – working with the Leeds City Region Partnership, the city of York is a signatory authority for the Leeds City Region City Deal.
3. The City Deal includes a proposal to create a Leeds City Region economic investment fund, which will be created by local authority contributions and ultimately matched by Government, with the further potential to leverage private sector funding additionally.
4. The Leeds City Region's aspiration is to create a Fund of up to £500 million that could be invested in projects that support economic growth, with financial returns being reinvested on a revolving basis. Based on the impact of investments made by the Regional Development Agencies, such a Fund might be expected to support regional Gross Value Add growth, over time, of up to £3billion.¹
5. The Fund will enable the city region to invest in the city region's economic infrastructure, ultimately giving the investing local

¹ Based on Pricewaterhouse Coopers analysis of £500m Fund, attracting leverage at a ratio of 1:3 from the private sector – creating £2bn initial investment capacity. Assumes Fund is “revolved” three times to deliver investment of £6bn. Estimated impact of £6bn investment, increase in GVA of up to £3bn.

authorities an opportunity to both experience the growth that will result from the investments made by the fund, and a commercial return on their investment.

6. The Fund will only invest in projects that can offer a commercial return. As a “revolving investment fund”, the Fund will recycle return on investment back into the Fund. Public sector returns from the Fund will be recycled within the wider Investment Fund for the benefit of the City Region economy. This approach, supported by the governance arrangements outlined, allows all public sector investors to gain local benefit over time.
7. The Revolving Investment Fund will focus on investment opportunities that can create or accelerate economic growth and offer a commercial return. Its purpose will include:
 - Developing and offering a range of finance products (e.g. debt, equity, guarantees) to meet identified market need and accelerate economic development;
 - Providing finance on a commercial basis for investments that are aligned to the delivery of the LCR strategic economic priorities;
 - Making investments which complement – and are additional to – other local and national funding initiatives available in the LCR (including, for example, “West Yorkshire Plus” Transport Fund and UK-wide
 - Central Government supported funds such as UKGI) to ensure limited resources are targeted at activities that are truly additional;
 - Encouraging private sector investment into LCR; and,
 - Providing skills and /or capacity to support a more commercial approach to investment within the City Region (potentially working alongside in house public sector teams to share skills, knowledge and networks).
8. The Revolving Investment Fund will therefore operate alongside a wider range of funding mechanisms (including the Transport Fund) that can support other investments needed to grow the economy which cannot be funded on a commercial basis.

9. There are currently six of the LCR authorities agreed to co-invest in the Fund - York, Leeds, Bradford, Wakefield, Kirklees and Harrogate – each of which is contributing a share to the initial pot of funding, which will be used to kick start the Fund and enable it to start investing in projects. The initial commitment proposed from the local authorities is £18.454m, with York’s proportion of this set at 8.84% of the total – or £1.632m.

Proposal

10. The proposal is for City of York Council to invest **£1.672m** from the EIF in the LCR Revolving Infrastructure Fund. This cost includes the capital investment of £1.632m and £39.82K of revenue funding required to support the development of the project. Any commitment by the Cabinet would be subject to approval of the strategic appraisal framework (SAF) and robust governance arrangements. A further report on the final governance arrangements, and management of the fund, and risk assessment, will be brought back in the future. Regular monitoring reports will also be provided once the fund is established.
11. This commitment will ensure that York benefits from the return on investment generated by the fund.

Rationale

12. The rationale for the investment is that in the current economic climate, investment in infrastructure will not happen without some degree of co-investment from the public sector.
13. The investment priorities of the fund will enable greater integration of the city of York’s labour market and supply chains with the Leeds City Region and wider national and international markets. The investment made by the fund will ensure that the city’s offer to both indigenous business and inward investing business is as attractive as possible.

Analysis

14. The Fund itself, with its potential to leverage further public and private sector investment is likely to produce up to £3billion in economic impact, based on PwC analysis (2012). The funding will enable the city region authorities to maximum value generated by each pound invested to priorities set by the city region authorities.

15. Not investing in the Fund would mean that York will lose potential benefits generated by the Fund, and the returns that might otherwise accrue to the city's investment.

(2) York – LCR Transport Package

Background

16. As part of the York Economic Strategy and the Council's Creating Jobs, Growing the Economy and Get York Moving priorities, there are several emerging priorities for transport infrastructure to better connect the city of York with the Leeds City Region as its natural or "functional economic market area."
17. To this end, City of York Council has been a proactive partner within the Leeds City Region City Deal, which is set to draw down devolved responsibilities and funding for transport schemes to the city region authorities taking part. The City of York Council is working through Leeds City Region Partnership structures and through the city's associate membership of the Association of West Yorkshire Authorities to create a new West Yorkshire plus York Transport Fund (WYYTF) of up to £1bn, and to prepare the city's investment priorities for appraisal for the WYYTF programme.
18. As in the case of the LCR RIF, there is a need for City of York Council to contribute alongside the other participating local authorities to enable the Government to then devolve funding to the local areas of West Yorkshire and York. As such, there is a necessary investment by CYC in the Fund of £500K, which contributes to the overall pot of funding, to which there are six total contributing authorities. The other five authorities are the five West Yorkshire authorities of Leeds, Bradford, Wakefield, Calderdale and Kirklees.
19. As part of this work to ensure that York is playing a proactive part in the development of this new deal for the city region in transport, and accessing its share of this deal, the city needs to look at kick-starting and developing the case for key schemes that could in future draw down from the city region deal.
20. It is estimated that a budget of £50K will be needed to provided capacity and for the preparation of business cases and investment propositions for the city's investment priorities to the Fund. Projects

to be included in this package will include commissioning of feasibility and business case preparation for the rail line from Leeds – Harrogate – York line and the potential for this to be extended to Leeds Bradford International Airport (LBIA), as well as in the near future, the provision of funding to kick start the city’s investment in the WYYTF and the potential for piloting the reinstatement of the bus from York city centre to LBIA (previously run as Yorcoach).

Proposal

21. The proposal is for Cabinet to approve **£550K** for this package of projects. This includes investment in the WYYTF of £500K and £50K for revenue costs for feasibility work required to prepare business cases for the city’s key transport investment priorities as outlined.

Rationale

22. The rationale for the proposed investment is rooted in the rationale for the city’s involvement in the Leeds City Region LEP and working to achieve greater links with the Leeds City Region market area. This rationale is covered in more detail in the previous report on **Growing the York Economy – working with Leeds City Region Partnership**.

Analysis

23. The project enables the city to progress the development of further connectivity with the functioning economic market area in the Leeds City Region, identified in the prior report on progress made by the City of York in working with Leeds City Region authorities on the delivery of one of the country’s first City Deals.
24. In the current political and economic climate, the mechanism for leveraging both public and private investment into transport is based on a model of co-investment – so for the Government to devolve powers and funding pots, it needs to see that the local authorities in an area can work together to create a fund of critical mass, against which it will match devolved pots of funding. Further, the attraction of private investment into the city requires that sufficient infrastructure is in place to enable development and business growth to be possible.

25. As such, this funding will provide a significant boost to the city's efforts to fund the infrastructure required to unlock sites like York Central, and will better enable the city's ability to attract funding to other critical priorities like road and rail improvements – without which the city will be constrained in future growth prospects.
26. Without the investment proposed, the city stands to lose out on the potentially significant devolution of major scheme transport funding and decisions on offer via the Leeds City Region City Deal. Without the opportunities thus presented, the city stands to be constrained from further economic growth.

(3) Economic Inclusion Programme

Background

27. One of the core themes of the EIF is Economic Inclusion (Connecting People to Jobs and Opportunities), and work has been undertaken to assess current levels of activity to address economic inclusion as a priority, as well as identifying those groups of residents that still find it difficult to engage and progress through the labour market, gaps in support – and where EIF funding could be used to intervene. Appendix A to this report is the Economic Inclusion Policy paper presented to Creating Jobs Growing the Economy Board in December 2012 that outlines this detail.
28. Considerable analysis of the needs of employers and the workforce have also been undertaken in an attempt to ensure the latter have the appropriate skills, knowledge and support to access opportunities in employment or self-employment. The full report of this analysis is available in the full Employment and Skills Assessment of Need undertaken recently.
29. This Assessment has been mapped against existing mainstream nationally funded programmes of activity to identify where there are gaps and where intervention is needed to maximise the potential that exists to connect residents to existing jobs and opportunities. This mapping of priority needs against existing activity is set out in **Appendix A**.

Proposal

30. The proposal is to allocate **£200,000** from EIF to fund a **3-year programme of activity** targeted at 3 themed strategic priorities, based on gap analysis of York's Employment and Skills Assessment of Need. The programme will assemble a series of smaller, targeted interventions and activities which will specifically be aimed at connecting residents to jobs and opportunities.

31. Project proposals are being sought from city-wide partners (including City of York Council in its own right) to cover activity over the next 3 years:

i. **Transitional Support**

For residents who are seeking work and / or facing redundancy, with a focus on:

- **Jobs Fairs**
- **Work Experience opportunities**
- **Simplifying access to Information, Advice and Guidance –** for jobs, training, careers and self-employment / business start-up
- **Removing financial barriers** (measures will be supported via the Financial Inclusion Policy and action plan)

ii. **Routes to Employment and Self-employment**

Targeted programmes to equip residents with the right skills, knowledge, attitudes and experience to support their route to sustainable employment / self-employment, including matching residents to unfilled vacancies, with a focus on:

- Young People (18-24)
- Lone Parents
- Older People (over 50)
- Adults with Learning Difficulties and Disabilities (including mental health)
- Those who are socially excluded, such as ex-offenders
- Basic skills (literacy, numeracy and IT/ digital literacy)

iii. **Creating Employment Opportunities**

Targeted activities that promote the business case for a diverse workforce and that maximize local recruitment and training opportunities, with a focus on:

- City of York Council, in its own right (linking to actions identified within CYCs Single Equalities Scheme)
 - CYC's Procurement and Commissioning Framework to influence the employment and recruitment practices of suppliers and commissioned services
 - Aligning opportunities to transformational capital projects such as those supported by City of York Council's Economic Infrastructure Fund, the regional growth fund, as well as other major capital projects approved across the city
 - The wider business community
32. Rather than bringing each small project back to Cabinet for sign off, it is intended that Cabinet delegate authority for the approval of projects within the programme to the internal Creating Jobs, Growing the Economy Board, chaired by the Chief Executive, and attended by senior managers with portfolios relevant to this Council Priority on a monthly basis. Such delegated authority will enable the Council to move forward projects in a flexible and responsive way as the market develops over the three year period.

Rationale

33. The rationale for the investment is the potential for employment creation by connecting residents to jobs and opportunities.
34. Activity supported will also contribute towards a positive social return on investment by moving residents off benefits into paid employment and increasing the circular flow of income at a neighbourhood level.

Analysis

35. Investment approved will support projects that engage with priority groups, deliver tailored interventions to support progression to the labour market and achieve job outcomes which could include self-employment.
36. Projects supported will fill the gaps locally for priority groups, adding value to existing mainstream provision offered by the Department for

Work and Pensions, Job Centre Plus, the Skills Funding Agency and European Social Funding.

37. This investment could leverage additional funding through the regional Job CentrePlus Flexible Support Fund.

EIF Spend to Date

38. The EIF spend proposed in this report totals £2.387m.
39. The EIF total commitment to date is £13.372; £2.651.5m of this is revenue and £10.720m of this is capital.
40. If the Cabinet approves those projects under consideration, that total will increase to £15.759m. This leaves £12.74m left of the total EIF budget.
41. **Appendix B** to this report provides a breakdown of this spend in detail and summary tables showing commitments against funds available.

Council Plan

42. The proposals will support the delivery of Council Plan Priority 1: Create Jobs Grow the Economy directly through the following mechanisms:
 - **LCR Revolving Investment Fund** – will generate potential investment above and beyond the city’s initial investment which has the significant potential to support both indigenous business investment in the city as well as help the city to attract new inward investment to the city
 - **York - LCR Transport package** – will provide greater connectivity which will enable a greater number of both leisure visitors, business visitors and commuters to access and depart from the city of York from regional, UK and international markets
 - **Economic inclusion programme** – will safeguard and connect individuals to jobs and opportunities, thereby providing an increase in employment for city residents

Implications

Financial

43. The EIF has already been approved by Cabinet in April 2012, and the funding will come out of this established Fund.

Human Resources

44. There are no human resources implications arising from this report.

Equalities

45. There are no equalities implications arising from this report.

Legal

46. There are no legal implications arising from this report

Crime and disorder

47. There are no crime and disorder implications arising from this report.

Information Technology

48. There are no information technology implications arising from this report.

Property

49. There are no property implications arising from this report.

Other

50. There are no other implications arising from this report.

Risk Management

51. There are no known risks arising from the report.

Recommendations

52. Cabinet is recommended to:

- Approve the EIF allocations of:
 - £1.672m for CYC to invest in the LCR Revolving Investment Fund (RIF), subject to SAF and governance arrangements approval which will be brought back to a further Cabinet meeting;
 - £200K required to fund the Economic Inclusion Programme; and
 - £550k required to fund the first project in the emerging Transport Package

Reason: To support the Council Plan priorities of creating jobs, growing the economy and investing in the city's economic future.

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Wards affected: All

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Appendix 1 - Report on City of York Council Approach to Economic Inclusion: Connecting People to Jobs and Opportunities

Appendix 2 – EIF Fund Control

APPENDIX 1. Report on City of York Council Approach to Economic Inclusion: Connecting People to Jobs and Opportunities

1. Summary

This report is set within the context of the Council Plan Priority 1, Creating Jobs and Growing the Economy and also the opportunity to access revenue funding from the Economic Infrastructure Fund. This paper sets out the following:

1. What is Economic Inclusion (including its links with Financial Inclusion)
2. Why we need to respond in York
3. Current Economic Inclusion landscape
 - Employment, enterprise and support services available
 - Those residents finding it hard to connect with jobs and opportunities
4. City Response, Strategic Priorities and Funding Sought
5. Proposed Governance arrangements for bringing forward proposals to EIF
6. Approval requested from the Project Board

Section 1: What is Economic Inclusion?

Economic Inclusion is the term used to describe policies, programmes and interventions targeted at groups of people or places who /which are not fully able to participate in economic life either as a consumer, producer or both.

Economic Inclusion is important to:

- supporting a healthy, dynamic and diverse business base,
- improving a place in which all types of business and people can thrive and
- developing opportunities for people to create wealth and employment.

From a 'people' perspective, economic inclusion is not just about being in employment or self-employment. York's resident base can be excluded from other elements of the economy such as access to financial services. For the purpose of this paper, however, the focus is on how we collectively support the theme of Connecting People to Jobs and Opportunities that sits within Economic Inclusion.

Connecting People to Jobs and Opportunities is intrinsically linked to individuals' qualifications, skills, knowledge, aptitude and experience to compete for and sustain jobs or run a business, as well as transitional barriers that make it difficult for people to connect with opportunities, such as finance, childcare and transport.

The Economic Inclusion (Connecting People to Jobs and Opportunities) policy and resulting action plan is an integral part of the new Learning City multi-agency **York Employment and Skills Strategy** (to be published end January 2013), which helps to underpin **York's Economic Strategy** and the **Council's Plan Ambition 1** - with its focus on economic growth and job creation, as well as the **City of York Council Fairness Commission Report** – with its focus on ensuring that the city's economic growth and prosperity can benefit **all** residents.

The ambitions of business growth and job creation is in many ways the key driver of Economic Inclusion, while the specific Economic Inclusion policy acts as an enabler to bring partners together from across the public, private and voluntary sector to find new and innovative ways to better connect **all** local people to these jobs and opportunities. It seeks to reduce the devastating personal impact and economic costs of unemployment, under-employment and worklessness, whilst at the same time supporting the city's drive towards growth and greater social equality for all.

Section 2: Why do we need to respond in York?

York's economy has been described as 'resilient' during the recession, with some of the highest levels of employment in the country and lowest levels of benefit claimants, youth unemployment (18-24) and young people (16-18) not in education, employment or training (NEET).

In common with other 'resilient' cities and towns, however, whilst we still have job vacancies there are large numbers of local people who continue to find it difficult to connect with jobs or become self-employed and progress through the labour market. These people tend to have low qualification levels, more often live in areas of deprivation, where inter-generational worklessness and single parent families is more common and for those who have found jobs during the recession, many have suffered employment 'churn' (in and out of jobs). Many also have significant health problems and need long-term, personalised support before they are in a position to enter or re-enter the labour market.

In addition, despite the high level education and knowledge assets of the universities and colleges, the city has a lower than average proportion of employment in private sector knowledge businesses and many of our most skilled graduates who do decide to stay in the city, frequently find it difficult to find jobs that fully use their high skills. This can result in graduates being under-employed, taking lower level jobs that would otherwise be suitable entry level jobs for local, indigenous residents.

Experience suggests that increasing the supply of jobs is not enough if local people are either unable or unwilling to access them. Unless local people are equipped to compete for these jobs and jobs are generated at different levels, with employers who embrace a 'diverse workforce', there is unlikely to be a reduction in worklessness, many graduates will remain under-employed, and good quality jobs will be filled by mobile residents from elsewhere.

Furthermore, increasing the number of residents in work is not the same as increasing the number of jobs in the city. We know, from the recent Ekosgen LEP research (July 2012) that significant numbers of York residents commute out of the city and large numbers of workers commute in. The 'travel to work' area is increasing and even for lower skilled jobs travel distances, though generally less, can still be significant. Both young people moving into the labour market and older adult residents, seeking to return to work, will need to consider opportunities over a much wider geographic area than just York.

Not only can economic exclusion have devastating effects on individual's lives and children's life chances, but it also inflicts huge costs on the city's economy and society, including:

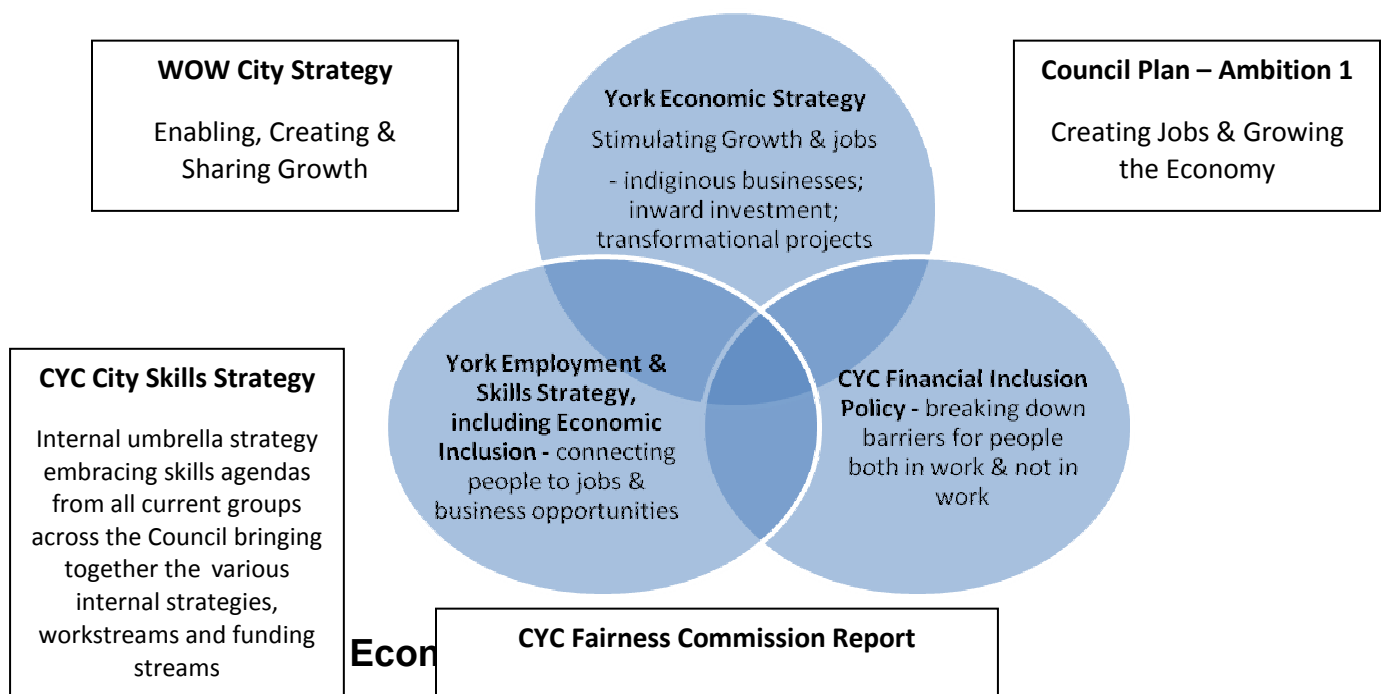
- **Higher risks of unemployment** - Adults with poor basic literacy and numeracy skills are up to five times more likely to be unemployed or out of the labour market than those with adequate skills
- **A lack of appropriately skilled workers that impedes productivity** – Educational underachievement and shortages in relevant skills and competencies have a direct impact on the supply of talented individuals in the workforce. This in turn contributes to the productivity gap between York and other UK and international competitors, that we are seeking to address in order to increase the competitiveness and growth of our city's businesses.

- **Lack of customers** – low income or benefit dependency can reduce the City’s spending power
- **Inefficient use of human resources** - with employers not making best use of the talent available, particularly in terms of under-employed Graduates

Whilst local people have no absolute right to fill jobs that are created in the city, it is arguably the responsibility of local agencies to assist them to do so and to access appropriate opportunities in the wider travel to work area beyond the city.

In partnership, we need to:

- Ensure that there is the right range of jobs in the city, so that people with different skill levels and personal circumstances can enter and progress through the labour market and that employers are supportive of a diverse workforce to enable opportunities for all; **(Economic Strategy, York Economic Partnership lead)**
- Address ‘supply side’ barriers to work and self-employment, including equipping people with the right skills, knowledge, attitudes and experience to enable them to compete effectively; **(York’s Employment and Skills Strategy, Learning City York lead)** and
- Remove transitional barriers that make it difficult for people to compete for jobs or start up a business, addressing transport, benefit and childcare barriers, ensuring that there is a good supply of high quality information, advice and guidance (IAG) about the job opportunities and business start-up support that are available **(overlap between York’s Employment and Skills Strategy and CYC Financial Inclusion Strategy, Financial Inclusion Network lead)**



3.1 Support Services Available to Residents and Employers

In the preparation of this policy document a comprehensive mapping exercise was undertaken by Learning City York in partnership with Job Centre Plus, as part of the *York Employment and Skills Strategy*. This exercise has captured the current landscape of employment, enterprise and transitional support services available to residents across the city delivered by City of York Council, in its own right, and wider City partners.

Despite the plethora of programmes available to support people connect with jobs and opportunities, there are still areas of York and particularly groups of adults that find it difficult to engage and progress through the labour and enterprise market, at the level that best fits their individual circumstances and aspirations (see section 3.2).

Whilst Job Centre Plus (JCP) hold the statutory responsibility to provide support for all ages of Benefit claimants to get back into work, employability, training and advice programmes operate within a fragmented funding landscape which currently creates gaps for particular residents not only in their understanding of the offer and how and where to access the support, but also the lack of coherent provision that meets their specific needs.

The market place also creates challenges for employers, particularly SMEs, in terms of navigating the different recruitment options and services

available, as well as accessing public funded training and wage incentive opportunities.

3.2 Where Additional Support is Needed

This section focuses on which residents are finding it hard to access employment and / or self-employment through the support that is already available in York and where it seems that additional support is most likely to be needed to improve the prospects of **all** local people.

3.2.1 York's Profile for Residents on Out-of-Work Benefits

Whilst there are out-of-work claimants across all ages and living in all parts of York, through the Assessment of Need within the *York Employment and Skills Strategy* we know that there are particular disparities in different neighbourhoods, as well as disparities and inequalities in employment and economic activity rates among certain groups. By tracking these trends and characteristics of benefit claimants , we are able to adopt a more consistent and evidence-based approach to policy development on tackling worklessness, under-employment and economic exclusion.

	Feb 2007 (pre-recession)	Feb 2012	Share of Workless Claimants 2012
Job Seeker Number and % of working age population	1,853 : 1.5%	3,682 : 2.7%	36% (^)
ESA & Incapacity Benefits	5,530 : 4.2%	5,020 : 3.6%	50%
Lone Parent Income Support	1,530 : 1.2%	1,100 : 0.8%	11%
Other on income related benefits	367	328	3%
Total Key Out-of-work benefits	9,280 : 7.1%	10,130 : 7.3%	100%

Source: DWP Out of Work Benefit Claimants via NOMISWEB

3.2.2 Key facts and stats about Worklessness / Unemployment / Under-employment:

Top 5 increases in Jobs Seekers Allowance April 2011 – 12 (by age, gender, duration)

- 18-24 year olds claiming 6-12 months + = 65% from 185 to 305
- 25-49 year olds claiming 2 years+ = 56.7% from 150 to 235
- 50+ year olds claiming 6 months+ = 43.6% from 195 to 280
- Longer-term claimants (all ages) 12 months+ = 43.6% from xxx to 725
- Female claimants – whilst male claimants still account for the majority (~70%) of all claimants, there have been higher % increases seen from female claimants at every age and duration of unemployment. The highest female proportion of long term JSA is in the Aged 24 and under, claiming for over 6 months category.

Youth Unemployment (18-24, including Graduates)

- Overall figures for youth unemployment (18-24) could be perceived as being relatively positive. The 4th lowest of 64 UK comparator cities, with claimant figures remaining fairly constant since 2010 (~850-1000 per month).
- However, whilst short term unemployment within this age group ie: unemployed for less than 6 months has been reducing, there has been a significant increase in those claiming benefits for 6 or 12 months+ in the last year. Of the 920 unemployed 18-24 year olds (as at April 2012) there were 205 that had been out of employment for more than six months, with 100 of these being without employment for over 12 months (compared to only 30 in April 2011).
- In September 2012, Graduates accounted for 19% (164) of total youth unemployment (860); in November 2012 this figure, whilst reduced to 100, still accounted for 11% of total youth unemployment

By Neighbourhood

- Worklessness is concentrated and has risen in particular neighbourhoods with 50% of Job Seeker claimants living in the city's 5 most deprived wards of Westfield, Clifton, Tang Hall, Acomb and Hull Road.

- There is an unemployment rate of 30% within the 8 most deprived 'lower super output areas' in York which are home to around 13,000 people, just under 7% of the York's population

Lone Parents (claiming Income Support)

- 44% of all lone parents in York are not working
- Through the needs assessment for *York's Child Poverty Strategy*, we know that 12.8% of children and young people in York (4450) live in poverty and in terms of family characteristics, we know that for every 100 children in poverty 73 belong to a Lone Parent household (9 higher than the region)

Adults with Learning Disabilities

- The number of adults with learning disabilities with employment in York fell in 2009/10 to 4.3% from 5.8% which is a higher fall in % terms than the regional rate.

General Characteristics and Barriers for Residents

Local intelligence gathered through JCP, City of York Council Family Learning and Future Prospects identifies the following characteristics and barriers to work for many residents:

- Literacy, including digital literacy (36% of those on JSA have below L2 qualifications)
- Lack of recent work experience
- Health problems (less prevalent in lone parent families)
- Lack of self-confidence and self-esteem
- Recognising the length of the journey to work varies considerably
- Addressing financial and 'better-off' concerns
- Raising motivation and linking it to the positive impact and benefits that 'work' can have on children within the family

3.2.3 Key facts and stats about Jobs and Opportunities

- In the last year, there have been an average of 1800 job vacancies advertised by JCP every month

- There is often a mis-match between jobs sought and jobs available, particularly in terms of unfilled vacancies for care assistant and home care, telesales, cheffing and over demand for general office work
- Most jobs, through JCP, are entry level and lower paid
- Some low paid, entry level are being taken by Graduates, who are unable to access Graduate level jobs

Section 4: City Response, Strategic Priorities and Funding Sought

4.1 City Response

Whilst the statutory responsibility for supporting all ages of benefit claimants lies with Job Centre Plus, Learning City York (City of York Council) has set up two multi-agency groups to bring stakeholders together to better plan and cohere activities to support residents in York:

- **the strategic ‘Economic Inclusion Group’** which brings together the LA (Economic Development, Education and Skills, Employment and Skills delivery services) with JCP, Skills Funding Agency, National Careers Service, Higher York, Your Consortium (voluntary / community sector), York College and Citizens Advice Bureau to review local evidence, set strategic priorities against city ambitions and agree a development plan to target activity and maximise the alignment of funding streams to tackle local priorities
- **the operational ‘Connecting People to Jobs and Opportunities Network’** – a wider operational and implementation network that currently brings together core employment support providers and agencies, including Future Prospects, JCP, Work Programme Providers, York CVS, National Careers Service, CAB, Youth Support Services and other training providers. The group meets to share good practice and keep up-to-date with local, regional and national developments in terms of all aspects of employment, training and support services for **working age adults seeking work, self-employment or facing redundancy**. The network enables partners to share information about their respective offers for residents and employers and to continue to build effective working relationships with other providers and intermediary agencies in developing a quality offer to support ‘Connecting People to Jobs and Opportunities’ and the key strategic priorities and outcomes identified within the wider Learning City ‘*York Employment and Skills Strategy*’.

In addition, Learning City is currently supporting a Scrutiny Committee that is focusing on Youth Unemployment, ensuring that both the research and consultation of the Committee and resulting recommendations are aligned with the work of the two groups above.

4.2 Strategic Priorities for the City & Funding Support

In the current economic environment, it is difficult to know whether the overall number of people on out of-work benefits or those that are under-employed in York can realistically be reduced by 2015. Much will depend on the ability of the private sector to grow and create new jobs, as well as the stimulus brought about by realizing inward investment opportunities and transformational capital projects in the city. It will also depend, in part, on the impact of the Government's welfare reform programme.

In the meantime, however, there continues to be unfilled job vacancies in the city.

Based on gap analysis in provision and employment services identified in Learning City's Employment and Skills Assessment of Need, the **Economic Inclusion Group** has identified 3 themed priorities against which it is seeking to work with partners to generate a range of activity, programmes and initiatives to add value to the market place and better connect **all** residents with existing and future jobs and opportunities over the next 3 years:

1. Transitional support
2. Routes to Employment
3. Creating Employment Opportunities

New skills and labour market interventions will wrap around the mainstream provision offered by the Department for Work and Pensions, Job Centre Plus, the Skills Funding Agency, National Careers Service and Higher Education for Funding Council.

It is intended that where programmes, activities and initiatives require additional resources, project proposals will be submitted to access funding from the:

- Economic Inclusion strand of City of York’s Council Economic Infrastructure Fund,
- Regional Flexible Support Fund available through Job Centre Plus or
- Financial Inclusion strand of CYC’s Economic Infrastructure Fund

Funding is will be used across the following range of strategic priorities:

1. Transitional Support

For residents who are seeking work and / or facing redundancy, with a focus on:

- **Jobs Fairs** - building on the success of the October 2012 York Jobs Fair², EIF funding is sought to support two high profile York Jobs Fairs annually to 2015, enabling job seekers and those facing redundancy to meet face to face with recruiting employers, as well as employment support agencies and training providers, moving to a sustainable co-financed model with partners if practicable.
- **Work Experience opportunities** – we need to develop and extend work placements and volunteering opportunities for people outside the labour market, to enable them to gain recent experience, build personal confidence and an employer reference. From the experience of York’s local JCP team, 50% of clients who benefit from a 25-30 hour placement opportunity of between 2 and 8 weeks, whilst still on benefits, move into sustainable employment. Some of the larger voluntary and community sector organizations are well placed to support the requirements for JCP, but would need additional volunteer co-ordinator capacity to support this development.
- **Simplifying access to Information, Advice and Guidance** – for jobs, training, careers and self-employment / business start-up; which could include the co-location of multi-agency services available to residents
- **Removing financial barriers** – debt advice and better-offer measures can be supported via the Financial Inclusion Policy and action plan

² funded by Learning City York and CYC Economic Development Unit and co-ordinated by Future Prospects in partnership with Job Centre Plus

- **Transport barriers** – a recommendation from the Scrutiny Committee to support young unemployed 18-24 year olds is currently being scoped and clarification is being sought regarding recent national announcements about travel support to be made available through JCP for 1st jobbers.

2. Routes to Employment and Self-employment

Targeted programmes to equip residents with the right skills, knowledge, attitudes and experience to support their route to sustainable employment / self-employment and match them to current and future vacancies. With a focus on:

- Young People (18-24), including Graduates and those requiring pre-employment / pre-Apprenticeship training
- Lone Parents & workless parents receiving the new free childcare entitlement for 2 year olds
- Older People (over 50)
- Adults with Disabilities (including mental health)
- Those who are socially excluded
- Addressing the basic skills deficit of adults on out-of-work benefits (literacy, numeracy and IT/ digital literacy)

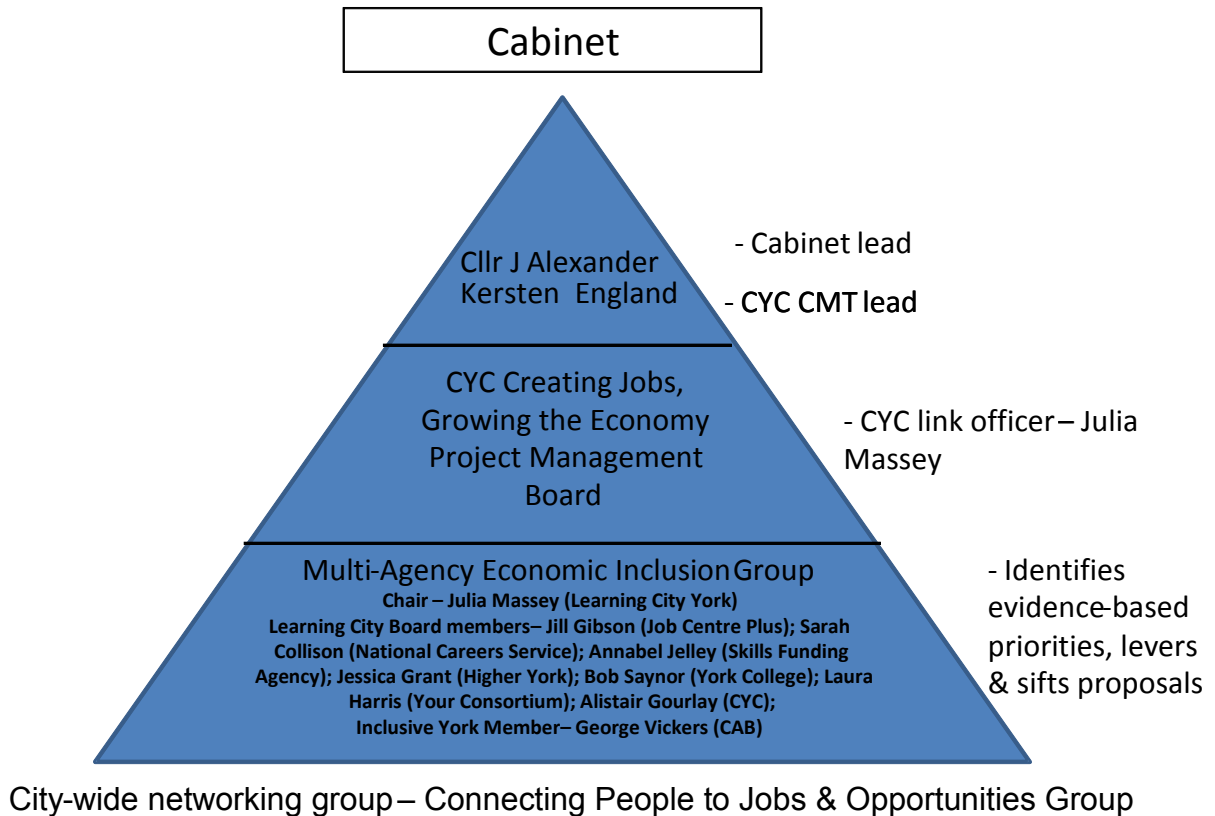
3. Creating Employment Opportunities

Targeted activities that promote the business case for a diverse workforce and that maximize local recruitment and training opportunities, with a focus on:

- City of York Council, in its own right (linking to actions identified within *CYCs Single Equalities Scheme*)
- CYC's Procurement and Commissioning Framework to influence the employment and recruitment practices of suppliers and commissioned services
- Working alongside transformational capital projects such as those supported by City of York Council's Economic Infrastructure Fund, the regional growth fund, as well as other major capital projects approved across the city and inward investment developments
- The wider business community

Section 5: Governance Arrangements for EIF

Economic Inclusion Governance



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11.12.12