



**Notice of a public meeting of  
Economic & City Development Overview & Scrutiny Committee**

- To:** Councillors Semlyen (Chair), Watt (Vice-Chair), Barnes, Burton, D'Agorne, Potter, Riches and Runciman
- Date:** Tuesday, 26 March 2013
- Time:** 5.30 pm
- Venue:** Severus Room, West Offices, York

**AGENDA**

- 1. Declarations of Interest** (Pages 3 - 4)  
At this point in the meeting, Members are asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

- 2. Minutes** (Pages 5 - 14)  
To approve and sign the minutes of the last meeting of the Economic & City Development Overview & Scrutiny Committee held on 29 January 2013.

### **3. Public Participation**

It is at this point in the meeting that members of the public who have registered their wish to speak can do so. The deadline for registering is **Monday 25 March 2013 at 5pm**.

To register please contact the Democracy Officer for the meeting, on the details at the foot of this agenda.

### **4. Draft Final Report - Youth Unemployment Scrutiny Review** (Pages 15 - 88)

This report presents the findings and recommendations of the Youth Unemployment Scrutiny Review Task Group.

### **5. 2012/13 Finance and Performance Monitor 3 Report** (Pages 89 - 102)

This report provides details of the 2012/13 latest position for both finance and performance in City and Environmental Services (excluding Highways, Waste and Fleet), Economic Development and Housing Services.

### **6. Six Monthly Update Report on Major Development Schemes in York** (Pages 103 - 108)

This report provides Members with an overview and update in relation to the major development and planning proposals in the city at this time.

### **7. Progress Report on Local Enterprise Partnerships** (Pages 109 - 114)

This report provides an update on progress with the two Local Enterprise Partnerships (LEPs) that York belongs to: Leeds City Region and York/ North Yorkshire/ East Riding. It also outlines policy developments which are emerging which might affect the future focus and operations of LEPs.

### **8. Interim Report - External Funding Scrutiny Review** (Pages 115 - 122)

This report summarises the work undertaken to date by the Task Group working on the External Funding Scrutiny Review. Members are also asked to agree to the spend of £1000 (this Committee's allocation from the scrutiny budget) on the Regional Econometric Model (REM) referenced in the report.

**9. Workplan for 2012-13** (Pages 123 - 124)  
Members are asked to consider the committee's workplan for the municipal year 2012/2013.

**10. Urgent Business**  
Any other business which the Chair considers urgent.

Democracy Officer:

Name: Judith Betts

Contact Details:

Telephone – (01904) 551078

Email – [judith.betts@york.gov.uk](mailto:judith.betts@york.gov.uk)

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

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The majority of councillors are not appointed to the Cabinet (39 out of 47). Any 3 non-Cabinet councillors can 'call-in' an item of business following a Cabinet meeting or publication of a Cabinet Member decision. A specially convened Corporate and Scrutiny Management Committee (CSMC) will then make its recommendations to the next scheduled Cabinet meeting, where a final decision on the 'called-in' business will be made.

### **Scrutiny Committees**

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

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**MEETING OF ECONOMIC AND CITY DEVELOPMENT  
OVERVIEW & SCRUTINY COMMITTEE**

**Agenda item 1: Declarations of interest**

The following Members declared standing personal interests.

Councillor D'Agorne- Employee of York College

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City of York Council

Committee Minutes

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MEETING	ECONOMIC & CITY DEVELOPMENT OVERVIEW & SCRUTINY COMMITTEE
DATE	29 JANUARY 2013
PRESENT	COUNCILLORS SEMLYEN (CHAIR), BARNES, BURTON, D'AGORNE, RICHES (CHAIR FOR AGENDA ITEM 6), RUNCIMAN, STEWARD (SUBSTITUTE FOR COUNCILLOR WATT) AND HODGSON (SUBSTITUTE FOR COUNCILLOR POTTER)
APOLOGIES	COUNCILLORS WATT AND POTTER

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### 36. **DECLARATIONS OF INTEREST**

Members were asked to declare any personal, prejudicial or disclosable pecuniary interests, other than those listed on the standing declarations attached to the agenda, that they might have in the business on the agenda.

Councillor Hodgson declared two personal interests, one in Agenda Item 5 (Report-Economic Inclusion and supported employment for people with disabilities in the City of York (Yorkcraft) as a member of the Co-operative Party and as a tenant of the Yorkshire Housing Association (YHA).

Councillor Semlyen declared a personal interest in Agenda Item 6 (Update Report- 'Reducing the Carbon Footprint in the Privately Rented Sector Scrutiny Review') as a landlady. As the only recommendation of the report was if Members wished to recommence the review, this interest was not deemed to be prejudicial. However, she left the room for this item and did not take any part in the debate.

Councillor Riches also declared a personal interest in Agenda Item 6 as the Chair of the Task Group that the Committee had established to conduct the review.

No other interests were declared.

**37. MINUTES**

RESOLVED: That the minutes of the meeting of the Economic and City Development Overview and Scrutiny Committee held on 20 November 2012 be approved and signed by the Chair as a correct record.

**38. PUBLIC PARTICIPATION**

It was reported that there had been no registrations to speak under the Council's Public Participation Scheme.

However, the Chair did allow David Smith from York MIND to speak in relation to Agenda Item 5 (Report- Economic Inclusion and supported employment for people with disabilities in the City of York (Yorkcraft)).

David Smith thanked Members for considering a review into the provision of sheltered employment at Yorkcraft. He highlighted that there was an inherent tension between providing long term support for those with disabilities and short term support leading on to permanent secure and paid employment. He said that he could see the attraction of Option 3 set out within the Officer's report, of investigating the feasibility of a sustainable social enterprise or a public service mutual taking on the service. However this would mean long term sustainability would need to be guaranteed without withdrawal of future funding or grants.. He suggested that the Committee consider experiences from other organisations which had set up sustainable social enterprises, particularly in relation to funding.

**39. ATTENDANCE OF THE CABINET MEMBER FOR TRANSPORT, PLANNING & SUSTAINABILITY**

The Cabinet Member for Transport, Planning & Sustainability attended the meeting to update Members on the priorities within his portfolio area.

Discussion between Members and the Cabinet Member focused on;

- The proposed High Speed 2 (HS2) railway route and its benefits for York.
- How the announcement of York being the starting point for the second stage of the Tour de France 2014 would affect his portfolio.
- The enforcement of 20mph speed limits in York's Residential Areas.

In relation to the route and benefits that HS2 could bring to York, the Cabinet Member felt that it was a significant opportunity for the city for two reasons. Firstly he felt the construction of a spur from the new line on to the East Coast Mainline (ECML) to York would open up closer economic links to the Midlands. Secondly, in his view the HS2 scheme would overcome capacity problems that the ECML would be likely to face in future years.

The Cabinet Member informed the Committee that he intended to use the selection of York as a host town on the second stage of the Tour de France, as an opportunity to;

- Encourage and ensure cycle training and access to a bike for every child in York.
- To investigate Yorkshire wide cycle hire.
- To consider hosting 'mini Tours' in Yorkshire.

Regarding the enforcement of the 20mph speed limits in residential areas of York by the Police, the Cabinet Member responded that enforcement would be carried out selectively, where needed.

RESOLVED: That the update be noted.

REASON: In order to provide Members with an overview of the Cabinet Member's priorities within his portfolio area.

**40. REPORT- ECONOMIC INCLUSION AND SUPPORTED EMPLOYMENT FOR PEOPLE WITH DISABILITIES IN THE CITY OF YORK (YORKCRAFT)**

Members received a report on Economic Inclusion and supported employment for people with disabilities in the City of York.

It updated them on a review that had been undertaken to analyse the existing business model for the Council's supported employment service called Yorkcraft.

Officers informed Members that Yorkcraft had been supporting the Council's move to West Offices through the disposal of confidential waste and archiving. They informed the Committee that they were currently working on a hybrid model, where Yorkcraft would gain work contracts for the Council and also attract contracts from the private sector. It was particularly important to make sure that the service was sustainable, given the nature of contract work.

Comments raised in relation to the report included;

- That there would always be a core set of people with disabilities who would not be able to easily gain employment outside of Yorkcraft.
- That investment from Housing Support Services could be used to enable employees from Yorkcraft that had lost their jobs, to take up intermediate posts.
- That the flexibility of the Yorkcraft workforce was attractive to private companies and helped its promotion to private businesses.

In response to a question about how employees were recruited to Yorkcraft, Officers stated that this was often through referrals from other agencies such as Job Centre Plus and the Shaw Trust. Employees were given posts on a short term basis to develop their skills.

Officers also informed Members that they hoped that even if they could not provide full time employment opportunities through Yorkcraft, that as a service it could provide a preparatory role for those with disabilities to gain sustainable employment outside of support schemes.

- RESOLVED:
- (i) That the report be noted.
  - (ii) That the Scrutiny Committee supports a proposed hybrid model, that Yorkcraft have a sustainable core as part of CYC delivering higher levels of service to the Council and other organisations in the city, and to use its location and develop

expertise as an incubator for the development of social enterprises.

REASON: To gauge the Scrutiny Committee's opinion of the options presented.

**41. UPDATE REPORT - 'REDUCING THE CARBON FOOTPRINT IN THE PRIVATELY RENTED SECTOR SCRUTINY REVIEW'**

Members received a report which updated them on the currently dormant 'Reducing the Carbon Footprint in the Privately Rented Sector' Scrutiny Review. The report asked Members whether they wished to continue with the review.

Officers informed the Committee that further information about a model for delivery for Green Deal packages across the Leeds City Region (LCR) area was still to be finalised and agreed by Leaders across the region.

In response to a question about what work had taken place with private landlords, since the last update to the Committee, to take up reduction schemes, it was noted that the Yorkshire Energy Partnership would be responsible for working with private landlords. It was also noted that Officers had recently purchased information from the Energy Savings Trust on solid wall insulation which would allow them to identify areas where greater support for residents was needed.

Extensive work had been going on as is detailed in the Officers' report and it was therefore recommended that review not be continued.

RESOLVED: (i) That the report be noted.  
(ii) That no further work need to be carried out by the Committee on this review and the review not be continued.

REASON: To update the Committee of work undertaken to this date on the Scrutiny Review.

**42. REPORT - REMIT FOR THE EXTERNAL FUNDING SCRUTINY REVIEW**

Members received a report which provided them with an update on the work undertaken by the Task Group appointed to this review. The report included a draft remit for the review, for the Committee to agree to in order for work to commence. Members and Officers welcomed the suggested remit and work that would be carried out by the Task Group.

Some Members felt that the second key objective in the remit “(To assess what resources are available to City of York Council (CYC) to effectively identify and successfully secure funding)” should be amended to say “including additional or temporary staff” when looking at resources.

Members felt that the fourth key objective, as detailed in the report, to “investigate what models are available to identify return on investment” should be removed from the remit, as it was deemed to be too wide ranging.

Discussion then took place on some unused money in the scrutiny budget which could potentially finance research/evidence gathering for this review. The Scrutiny Officer informed the Committee that there were rules which governed what this could be spent on.

The Committee asked the Task Group to look at whether there was a need for any funds to support this review and if so to identify what these were and report back to them at a future meeting.

In addition to this the Chair of the Committee suggested that a question/challenge be posted to the GeniUS website in order to gather ideas from members of the public around ways of attracting external funding. The Committee agreed that this was a good idea and should be based around the overall aim set for this review.

Councillor D’Agorne also expressed his wish to be part of the Task Group.

RESOLVED: (i) That the report be noted.

- (ii) That the remit of the review be agreed and key objective (ii) be amended to read;

“Assess what resources are available to City of York Council (CYC) to effectively identify and successfully secure funding (resources in this instance including CYC staff, *additional or temporary staff*, partnership staff, ability to provide match funding, up-skilling and training).

- (iii) That a question/challenge phrased around the overall aim of the review be added to the GeniUS website to assist in gathering evidence for this review.
- (iv) That the membership of the Task Group be widened to include Councillor D’Agorne.

REASON: To enable the Task Group to commence this review.

**43. DRAFT FINAL REPORT - OUT OF HOURS CHILDCARE SCRUTINY REVIEW**

Members received a report which asked them to consider the draft final report of the Out of Hours Childcare Scrutiny Review and its associated recommendations, prior to its consideration by the Cabinet.

- RESOLVED:
- (i) That the report be noted.
  - (ii) That the recommendations as listed in the Officer’s report be approved by this Committee in order that they can be presented at a future Cabinet meeting for consideration.

REASON: To complete this scrutiny review.

**44. WORKPLAN 2012-13**

Members considered the Committee's updated work plan for the municipal year 2012-13.

Some Members felt that the Scoping Reports on Housing Stock and on Local Shopping Centres should be removed from the work plan, as it was a core part of the Local Plan. As a result of this the Local Plan Working Group would carry out work on this. However, these could be looked at again in the new municipal year and if it was felt that they were suitable topics for review could be reinstated into next municipal year's work plan.

It was also suggested that the update report on the recommendations arising from the Water End Councillor Call for Action and the Six Monthly Update Report on Major Transport initiatives be slipped until the Committee's April meeting.

An update was given to Members in relation to the Final Report of the E-Planning scrutiny review. It was noted that the Cabinet had deferred making the decision to the Cabinet Member for Transport, Planning and Sustainability. The next public decision session would take place on 13 March 2013.

The Chair suggested that for the next municipal year that all meetings of the Committee should start at 5 pm.

RESOLVED: (i) That the work plan be noted subject to the following changes;

- The removal of the Scoping Report on -Housing Stock- How is it Meeting the Changing Needs of a Growing Population
- The removal of the Scoping Report on how local shopping centres contribute to the wider economic wellbeing of their community.
- That the Update report on the implementations of the recommendations arising from the Water End Councillor Call for Action be considered in April.



- That the Six Monthly Update Report on Major Transport Initiatives also be considered in April.
  - That a report of the External Funding Task Group be considered in March (as referenced in item 42 of these minutes).
- (ii) That meetings of the Committee be scheduled to start at 5 pm for the municipal year 2013-14.

REASON: To progress the work of the Committee.

Action Required

1. To update the Work Plan

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Councillor A Semlyen, Chair

[The meeting started at 5.00 pm and finished at 7.15 pm].

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**Economic and City Development Overview and Scrutiny Committee**      **26<sup>th</sup> March 2013**

Report of the Assistant Director Governance and ICT

**Draft Final Report – Youth Unemployment Scrutiny Review Task Group**

**Summary**

1. This report presents the findings and recommendations of the Youth Unemployment Scrutiny Review Task Group.
2. Members are asked to note the report and make any amendments/additions they feel necessary prior to this report and its associated recommendations being sent to Cabinet for consideration.

**Background**

3. At a meeting of the Economic and City Development Overview and Scrutiny Committee held on 27<sup>th</sup> March 2012 it was agreed that, in the 2012/13 municipal year, they would carry out a review around Youth Unemployment. They considered this topic further at a meeting held on 20<sup>th</sup> June 2012 and after consideration of an introductory paper (**Annex A refers**) covering the following:

- key statistics and trends
- Initiatives and agencies supporting young people into jobs and opportunities
- Support for 16 to 18 year olds and 18-24 year olds
- Opportunities for the Scrutiny Committee to consider

agreed that the work should be carried out by a Task Group comprised of three Members of the Committee<sup>1</sup> working to the following remit:

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<sup>1</sup> The Task Group was comprised of Councillors D'Agorne, Riches and Semlyen

### Aim

4. With a particular focus on vacancies within the care sector and business administration, to look at ways City of York Council can help young people to navigate the employment economy.

### Key Objectives

- i. Investigate what the barriers are for young people (ages 16-24) getting work
- ii. Investigate whether all agencies are playing their part in supporting young people into work
- iii. To investigate whether there are any gaps and/or overlaps in provision and if so make recommendation to address them.

### **Consultation**

5. Consultation has taken place throughout the review and Members have taken guidance from officers within the Council. In addition to this they have met with representatives from Jobcentre Plus, the Work Programme providers, young people and other stakeholders and agencies who provide support for young unemployed residents<sup>2</sup>. They also received responses to a question around Youth Unemployment that they had posted on the GeniUS website.

### **Setting the Scene**

6. Prior to the first meeting of the Task Group Councillors D'Agorne and Semlyen attended the York Skills Summit on 9<sup>th</sup> July 2012 in connection with this review to gain a wider understanding of the skills and employment landscape and priorities for all employment sectors and residents of all ages.
7. The Task Group met for the first time on 18<sup>th</sup> July with the Youth Support Service Manager and the Learning City York Partnership Manager. At this meeting the information at **Annex A** to this report was further discussed alongside a paper that had been presented to the YorOK Board in January 2012 entitled 'Apprenticeship Developments in York and Programmes Supporting Young People 16-24 into Work' (**Annex B refers**). The following paragraphs set out the discussions that ensued.

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<sup>2</sup> Via the Learning City 'Connecting People to Jobs & Opportunities' network – including Higher York (who have a particular focus on unemployed and under-employed Graduates); National Careers Service; Castlegate (focus on 16-18 year old NEETs);

The 16 to 18 year old age group

8. Local Authorities have a statutory responsibility to secure education and training in their areas for young people aged 16 to 18 (up to their 19<sup>th</sup> birthday), for young people up to the age of 25 subject to a learning difficulty and disability assessment and for up to 21 years of age for care leavers. As of January 2012 there were approximately 286 young people in this age group who were considered to be NEET (not in education, employment or training). Jobcentre Plus has a statutory responsibility to provide support for all ages of benefit claimants to find work. In York, this support tends to be from age 18 upwards (there are very few 16-17 year olds on out-of-work benefits, with only twenty 16-17 year olds falling into this category as of April 2012, and 19 as of December 2012).
9. The Task Group learned that City of York Council already had a good understanding of the 16-18 NEET group and a multi-agency partnership infrastructure that brought providers together to ensure that there were programmes in place to support the progression of these young people into work, further training at College or an Apprenticeship. Many of this NEET group lacked the qualifications, skills, aptitude and confidence to meet the entry requirements for an apprenticeship or for a job and often needed further training at college or through a training provider to progress into employment, to fulfil their aspiration. The majority of these young people are what are referred to as Foundation Learners i.e. below Level 2, with the entry requirements for Apprenticeships being Level 2 (Level 2 is the equivalent of five GCSEs at Grade C or above).
10. City of York Council (Youth Support Services) runs the Castlegate Centre which provides a range of information, advice and guidance services and signposting to education, training and employment programmes for those under 19 years of age (and up to 25 years of age if they have learning difficulties or disabilities).
11. It was acknowledged by officers and the Task Group that there were still insufficient training/employment opportunities for young people with learning difficulties and disabilities and these accounted for 31% of young people aged 16 to 18 in York who were NEET. However, progress was being made in this area but there was still more to do. It was also understood that there was an ongoing business review of the CYC service arm Yorkcraft<sup>3</sup> currently taking place and once the outcomes of this were known, a potential to provide placement opportunities for

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<sup>3</sup> YorkCraft provides supported employment opportunities for adults with learning difficulties and disabilities

younger people with learning difficulties and disabilities might be possible.

12. As City of York Council already had a reasonably good understanding of and a statutory responsibility towards 16 to 18 year olds it was suggested by the Learning City York Partnership Manager and agreed by the Task Group to concentrate their focus for the purposes of this review around unemployed 18 to 24 year olds.

#### Length of time unemployed

13. On looking at the statistics/trends presented to them in **Annex A** the Task Group learned that there were approximately 1000 18-24 year olds unemployed as of February 2012 and this had been roughly the same since 2010 but was not reducing. However whilst the level of short term unemployment within this age group i.e. unemployed for less than 6 months was reducing, there had been an increase in those that had been unemployed for more than 6 and 12 months. The Task Group expressed some concern around this increase and those remaining unemployed for the longer term.
14. Of the approximate 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).

#### Mismatch of opportunities to wishes

15. It was also understood that the vacancies advertised at Jobcentre Plus and those more generally advertised, were not matching the wishes of the young people who were unemployed. There was a mismatch between what was available and what the young people were asking for. However it was acknowledged to be better in York than in other parts of the country, York having the fourth lowest youth unemployment figures for 18-24 year olds of 64 UK comparator cities and the third lowest for NEET (16-18 year olds). However the Task Group still identified a requirement to do more around matching needs with opportunities.
16. The Task Group, when setting its remit, had agreed to focus on vacancies within the care sector and business administration. It was understood that there were vacancies within both of these sectors that were not being filled. Officers advised the Task Group that there may be a misconception amongst younger people as to what employment in the care sector could offer them in terms of wages, training, future prospects, transferable skills and shift working. There was also a perceived

intergenerational barrier (younger people working with older, for instance).

17. Officers indicated that there appeared to be a preference amongst younger people to work in certain fields rather than others (construction and retail being very popular).

### Welfare Reforms

18. The Government's recent Welfare Reforms had included the introduction of Get Britain Working Measures facilitated by Jobcentre Plus and the Work Programme commissioned through the Department for Work and Pensions (DWP). It was explained that the Work Programme commenced when someone had been unemployed and claiming Job Seekers Allowance (JSA) for circa 9 months; therefore it was effectively open to referrals from JCP for longer term unemployed residents, including young people from the age of 18.<sup>4</sup> However if a young person had been NEET previously, they were referred to the Work Programme at 3 months of claiming benefits i.e. an earlier referral point than those young people that had not previously been NEET. Referrals from Jobcentre Plus to the Work Programme were dependent on the type of claimant and could be made at any point from 3 to 12 months of their claim. In general, if a young person had previously been NEET, they were referred to the Work Programme at 3 months of claiming benefits and all other young unemployed people were referred at 9 months.
19. In York the Work Programme prime contract holders are G4S and In-Training who have sub-contracted delivery to Pertemps and Prospect Training/Barnardos respectively. They were financed nationally through the DWP and the contracts were tendered and awarded to commence from June 2011. The Prime Contractors covered a huge JCP geographic area (York, North Yorkshire, East Riding and The Humber) and were not solely York focussed; however both sub-contracted delivery organisations had permanent offices in York.
20. Pertemps and Prospect Training/Barnardos had contracts to provide and deliver pre-employment training and support for people of all ages seeking a return to work; the support was tailored to meet customer needs. As such both organisations had developed a positive relationship with their customers. They were there to implement the Work Programme for the over 18 age group that had been unemployed for over nine months or 3 months if previously NEET.

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<sup>4</sup> The majority of Job Seeker Allowance claimants in York are aged 19 and over

21. On hearing about the Work Programme and the providers in York, the Task Group decided that it would help to progress this scrutiny review if they met with staff and customers at both Pertemps and Prospect Training, along with Jobcentre Plus in order to understand the role all three organisations played in getting young people back to work.

Other issues identified at this stage in the review

22. Churning - One of the challenges highlighted by officers was ‘churning’ (where young people were in and out of employment frequently), one of the main reasons for churn being that many young people still did not have the right skills and aptitude to sustain a job. More opportunities to upskill young people needed to be developed before they applied for jobs so that they had the best opportunity to sustain employment.
23. Mentoring - Officers informed the Task Group that one of the best interventions for many young people was mentoring with evidence proving that mentoring really improved the success rate for moving young unemployed people into work and on-going mentoring also improving sustainability in work.
24. Vulnerable groups - It was acknowledged that it was difficult to make progress with some of the more vulnerable groups of young people, such as those with learning difficulties and it was hard to find sustainable employment for them. Both officers and the Task Group thought that the Local Authority could do more to employ these groups of people but realised this was challenging, especially during a time when others within Local Authorities were facing redundancy. It was also acknowledged that there was a need to encourage other employers, across the city, to look positively at ‘diverse workforce’ opportunities. This could include ‘job carving’ which is where one job is divided into two to enable two young people with learning difficulties and disabilities to perform that job.
25. In addition to the above the Chair of the Task Group mentioned a recent presentation given by the Director of Research at the Institute for Employment Studies (IES) entitled ‘The labour market for school leavers and HE5 graduates: today and tomorrow’<sup>6</sup> which set out information including the current state of the UK labour market, what it is like for school leavers and graduates, what employers are looking for and competition in the labour market. One part of this presentation indicated

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<sup>5</sup> Higher Education

<sup>6</sup> This is referenced here as it reinforces what unemployed 18-24 year olds need to develop in order to be successful in sustainable employment. However it should be noted that there is also a separate Scrutiny Review being undertaken around Careers Education.



that qualification levels were expected to rise and there was some evidence of under-employment. High growth occupations for young people were:

- *customer service (retail and hospitality)*
- *caring and personal service jobs*
- *technicians (in manufacturing and energy)*
- *creative and digital occupations*

26. Most of these jobs would require Level 2/3 qualifications. Attitudes and behaviour were important such as enthusiasm, understanding the business context, attention to detail, reliability etc coupled with generic (and some technical) competencies such as communication, problem solving, production related technical skills in manufacturing and project management.

### **Meeting with Key People**

#### Visit to Jobcentre Plus

27. In advance of visiting Jobcentre Plus (JCP) The Task Group met again on 21<sup>st</sup> August 2012 to specifically look at information on how JCP referred claimants to the Work Programme. This is summarised in the bullet points below:
- Short term youth unemployed (i.e. under 9 months) are served by JCP at their Stonebow office and supported by different strands of the 'Get Britain Working' campaign including work experience opportunities (insufficient opportunities across the city to meet demand) and training programmes delivered by organisations such as York College, YH Training and City of York Council (through adult education programmes, Future Prospects and York Training Centre, which is a training arm of the Council and is funded through a contract with the Skills Funding Agency)
  - Once a young person becomes longer term unemployed (i.e. nine months or over) they are referred to the Work Programme and hence to Pertemps or Prospect Training or Barnardos (if 18-24)
  - If, however, an 18-24 year old has already been NEET they get referred to the Work Programme at 3 months.
28. On Wednesday 19<sup>th</sup> September 2012 two members of the Task Group and the Scrutiny Officer visited JCP and met with the District Manager and two members of staff from the Stonebow branch of JCP. Outcomes of the discussions are set out in the paragraphs below:

- Of those going onto Job Seekers Allowance (JSA) 60% are in work after 13 weeks<sup>7</sup>
- Longer term unemployed always used to be defined as 6 months + but this has now been re-defined to the point where JCP refer customers to the Work Programme at 9 months for 18-24 year olds and after 1 year for those aged 25+
- York had 920 18-24 year olds on the JSA unemployment register with 164<sup>8</sup> of these being graduates (figures as of August 2012 which was when the Task Group visited JCP)
- It was hard to claim JSA benefits if you were under 18 (there were fewer than 20 claimants in York fitting this description)
- There were 30,000 vacancies in the care sector across the Yorkshire and Humber region; however there was a known skills mismatch and an employability mismatch.

29. Barriers to employment – these can be anything from a lack of confidence, difficulties in finding/affording childcare, a poor CV, lack of references, lack of work experience, the need for a bank account, no access to the internet and no e-mail address. Literacy and numeracy were also an issue with 36% of 18-24 year olds currently unemployed in York not having achieved Level 2. The Task Group felt that addressing this low basic skill level was critical in improving a young person's chances of obtaining and sustaining employment. It was, therefore, important, to address low skills levels through the provision of further training.

30. Transport was felt to be one of the major barriers to finding employment; many young people did not have access to a car and found public transport costly. JCP could help in some circumstances with costs associated with attending interviews.

31. In addition to this some jobs were in places not easily accessible by public transport and some shift work meant that public transport was not available at an appropriate time.

32. The District Manager at JCP cited an example of an industrial estate in Sherburn in Elmet that was difficult to get to without a car and where there were frequently vacancies as several major companies had

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<sup>7</sup> The latest figure (December 2012) is 65.85 % for all people combined (not just 18-24 year olds). However JCP do not keep statistics on the sustainability of this work so are unable to say whether they are still in employment after 3 to 6 months

<sup>8</sup> JCP have since provided an updated figure as of October 2012 which shows that there were 100 graduates (18-24) claiming Job Seeker's Allowance. This equates to 11% of all claimants aged 18 to 24

warehouses there. Selby Council had worked with the local bus companies to ensure that there was a bus service at appropriate times (to fit in with shift patterns) to make it easier for people to secure and sustain employment there.

33. Enterprise Allowance Scheme – this was a new scheme set up to provide flexible support to help people of all ages (who had been claiming JSA for 6 months+) to become self-employed and start their own businesses. The scheme provided mentoring and support to set a business plan and also provided a loan of £1000, an allowance of £65 for 13 weeks and £33 for a further 13 weeks. Two people aged between 18 and 24 had entered this scheme<sup>9</sup>. However some had also accessed support via Future Prospects to set up market stalls.
34. Partnership working and raising awareness of success stories– it was acknowledged that there were some really good success stories about young people gaining employment and/or setting up their own businesses; however it had not always been easy or possible to get publicity for these in York. There was still work to be done. The Task Group suggested that JCP could make contact with the Council’s Media and Communications Department to see if they could assist in any way and the Task Group would also talk to them as well. Discussions were had around working more proactively with the media in York to advertise success stories, including working with City of York Council’s Media and Communications Department. There was further discussion about possible links with the York Means Business website and York Press.
35. The above discussions have already led to the District Manager at JCP proactively looking at current partnership arrangements in place within the City. In addition to this the Head of Economic Development at City of York Council intended to contact the District Manager at JCP to instigate further discussions around how they might potentially use the York Means Business web-portal to promote success stories.
36. In York there were already a number of multi-agency meetings/networks that brought key partners together; namely the Learning City Board which leads on the strategic development of a refreshed Skills and Employment Strategy to underpin the Economic Strategy and JCP attended this. There was also a Connecting People to Jobs and Opportunities Network (also facilitated by the Learning City Partnership Manager - an officer of CYC) which was an operational group bringing all

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<sup>9</sup> Information correct as of December 2012

the delivery partners and agencies supporting unemployed people together.

37. Both the Task Group and representatives from JCP believed that partnership working was a key factor to tackling youth unemployment. There needed to be a more collective approach to providing solutions to youth unemployment. Good partnership working could positively help advertise some of the success stories but there were other ways that partnership working could help as well. City of York Council already had many of the right partnership infrastructures in place but was currently seeking ways of maximising working with these groups.
38. JCP also worked with organisations such as National Careers Service (delivered by Babcock Enterprise in York) who provide information, advice and guidance support to JCP clients to help get people back to work, as well as with Pertemps and Prospect Training and a range of other training providers.
39. The District Manager at JCP thought there had been problems in York getting key partners together for a round table discussion to talk about youth unemployment. However, (as identified in **paragraph 36**) there was a Learning City partnership network group entitled 'Connecting People to Jobs and Opportunities in York' scheduled for 9<sup>th</sup> October 2012 and the Task Group suggested that the District Manager at JCP be invited to attend this to take part in discussions. The network was still relatively new and it was acknowledged that key to this group would be engagement with the Work Programme providers and JCP and this needed to be built upon.
40. Jobs in the care sector – As mentioned above (**paragraph 28 refers**) there were many vacancies within the care sector, however jobs in this field ranked tenth in the list of what jobs people were looking for. Many jobs in this sector required people to visit people in their own homes which often meant that a person required their own transport. Many jobs of this nature did not pay the employee for their time spent travelling between shifts. Shift work and travelling between shifts/split shifts i.e. to put a client to bed as part of care work was difficult and often required the employee to travel at unsociable hours and when public transport was not available. In addition to this it was felt that dealing with personal care required patience and sensitivity and not all young people had the aptitude to do this kind of work in a way that maintained a good relationship with the person being cared for; who could be confused, forgetful or argumentative for instance.

41. In summary partnership working and better promotion of success stories were the two major themes that emerged from this visit. However, it was also realised that collectively there was a need to strive towards lowering the number of 18-24 year olds currently unemployed. York had a relatively buoyant employment market, in comparison to many other areas of the country, so there was scope to make improvement. The number of unemployed 18-24 year olds in York was comparatively low however there were fewer easily placed persons now on the register. It was believed that everyone was ultimately employable but significant barriers would need to be overcome for some clients to get a sustainable paid job or become self employed.
42. Other – In addition to this an update was received from JCP in December 2012 informing the Task Group that they currently only had 17 work experience opportunities available in York (for all ages of benefit claimants) and these were run on a rolling programme of between 4 and 8 weeks in various occupations – 50% of customers undertaking work experience move into work, either with the host employer or with another employer, within 13 weeks of completing the work experience opportunity. These opportunities ranged from retail to logistics – however there was a shortage of business administration roles.

#### Visit to Pertemps

43. On Thursday 20<sup>th</sup> September 2012 the Task Group and the Scrutiny Officer visited Pertemps, based in Eboracum Way which is located off the Malton Road. The Task Group sat in on a CV workshop for 18 to 24 year olds and was impressed with the way the trainer built a good rapport with the young people present and how he engaged them in the workshop, encouraging them to involve themselves in the discussions.
44. During the break in the workshop the Task Group had the opportunity to talk to some of the group and found that all present had either previously been in paid employment or had some work experience. Further conversation highlighted the following:
- One person had got work experience at a Charity Shop through Pertemps and another had organised her own retail work experience in a Charity Shop
  - Both of the above thought that the Council offering work experience opportunities would help them to get paid work in the future

- Two members of the group said one advantage of Pertemps over JCP was in the amount of support time offered. JCP tended to offer less support time than Pertemps and Pertemps also offered more 1 to 1 and in-depth support
  - Some Members of the group had a clear idea of what kind of work they were looking for whilst others didn't. Pertemps helped those that didn't know to narrow their options.
  - One person would have appreciated being targeted towards where the job vacancies were and was glad to know that there were vacancies in both the care sector and in administration and business support.
  - One person in the group was not interested in doing work experience or gaining further qualifications if it meant he wasn't going to be paid at the same time.
45. However these comments were anecdotal and were not necessarily representative of all 18-24 year olds as they were from a very small sample of young people.

#### Visit to Prospect Training

46. On Friday 21<sup>st</sup> September 2012 the Chair of Economic and City Development Overview and Scrutiny Committee and the Scrutiny Officer visited Prospect Training where they met with the Regional Manager and the Employer Engagement and York Specialist (who has subsequently left Prospect Training).
47. Prospect are the Work Programme sub-contract providers for the Prime Contractors, In-Training and have been delivering the contract since June 2011. They are centrally located in Piccadilly, close to bus transport links. They have a client list of approximately 1100 people (not just 18 – 24 year olds), but longer-term unemployed York residents of all working ages.
48. A client is referred to them by JCP and a small fee of £240 is attached to this referral. This attachment fee is to cover office and staff costs, plus reimbursing client travel costs, postage, phone calls, resources and contributions to appropriate clothing for interviews etc. Clients attract additional success related funding to Prospect Training once they have been in a job for 13 weeks or 26 weeks (depending on assessed employability).

49. It was understood that 50% of Work Programme clients were allocated to G4S (Pertemps) and 50% to In-Training (which included Prospect Training and Barnados for 18-24 year olds).

50. Prospect Training can offer courses/training in:

- Telephone skills
- English, Maths and ICT
- Employability (CV preparation, presenting yourself in a positive manner)
- Completing application forms
- Interview skills

Many of these are certified courses with the telephone skills course being a documented course rather than a certified one.

51. Prospect Training identified what they felt to be the five key steps to obtaining employment:

- A relevant CV – the CV and the Personal Profile within the CV should reflect the sector and role being applied for
- The ability to complete an application form (neat handwriting, good grammar)
- A clear covering letter stating why you are applying for the role and what you can bring to it
- Good telephone skills
- Interview techniques – including dressing appropriately and being prepared

52. The Chair of Economic and City Development Overview and Scrutiny Committee asked the Employer Engagement and York Specialist at Prospect Training what City of York Council could do to help partner organisations reduce levels of youth unemployment? Networking with City of York Council colleagues was seen as key as was networking with employers in the city. The Employer Engagement and York Specialist was also keen to build relationships with the Universities in the city.

53. Working with employers and partners - working with the major supermarkets was also seen as beneficial (by Prospect Training) as they were a major employer within the city; there was still work to be done to improve relationships with them as they could potentially generate a significant number of jobs for unemployed residents within the city. The Employer Engagement and York Specialist said that currently most

supermarket vacancies (and those in the hospitality industry) required the candidate to complete an on-line application form. He felt that often those applying for entry level jobs found this difficult and Prospect Training could potentially save time by working with the supermarkets (and other employers) to pre-interview and then ask those candidates that they liked to fill in application forms. If it was possible to gain agreement with the head offices of some of these organisations work could begin to develop local recruitment solutions.

54. When told more about the focus of this review, he said that in his experience many 18 to 24 year olds looking for entry level jobs were more suited to working in supermarkets and the hospitality industry rather than working in the care sector or business administration. In addition to this if a young person wanted to stay in that type of work the supermarkets tended to promote and train young people very well.
55. The Employer Engagement and York Specialist was very keen to build relationships and networks with supermarkets, key players (both locally and nationally) in the hospitality industry (such as Wetherspoons) and retail. He specifically thought that a meeting with the Chair of York Hospitality Network and the Chair of York Retail Network would be beneficial. In addition to this he acknowledged that the NHS and the Dean and Chapter were other employers within the city that it would be useful to work with on a closer basis as they offered entry level jobs.
56. Further discussion around Jobs Fairs ensued and the Employer Engagement and York Specialist felt that Job Fairs offered a useful networking opportunity for employers to meet not only with those seeking employment but other employers as well. The representative of Prospect Training felt that employer senior decision makers should be attending future Job Fairs.
57. Employment within the care sector – the Chair and Scrutiny Officer further discussed vacancies within the care sector with the Employer Engagement and York Specialist; in particular why these did not seem to appeal to 18 to 24 year olds. The Employer Engagement and York Specialist agreed that there were many vacancies in this sector but believed that these were not suited to 18 to 24 year olds in part due to the generation gap and partly because personal care wasn't something that very many young people saw themselves doing. He mentioned that the work was often low paid, young people did not see it as having any prospects for promotion and hours were often unsociable. He also mentioned that it could be difficult for care providers to get insurance for those under 25 years of age. There were also entry barriers to this



sector, with a need to have a CRB check; this meant that it was difficult to gain any work experience in this area prior to applying for a job<sup>10</sup>.

58. However, if enough young people were interested in working in this sector then Prospect Training could use some funding they had from the Skills Funding Agency to put on an 'introduction to care' course.
59. Employment within the business administration sector – the Employer Engagement and York Specialist said that this was a very competitive area and often very specialised (i.e. legal or medical secretarial work); any knowledge that a candidate had needed to be very up to date and there were very few vacancies that suited those looking for entry level jobs.
60. The Wage Incentive Scheme – employers can get £2275 if they employ an 18-24 year old client from the Work Programme for 30+ hours a week for 24 weeks, or £1137.50 if they employ them for 13 weeks. There is a limited pot of funding but there hasn't been a great take-up yet and it needed to be better advertised as it could potentially go some way to helping companies with cash flow (especially as apprenticeship wages were low). The Employer Engagement and York Specialist offered to give a presentation to employers outlining the assistance available to them when employing currently unemployed young people. The Chair thought that Science City York might be interested in publishing an article on this or adding it to one of their programmes and suggested that the Employer Engagement and York Specialist at Prospect Training contact them. She also thought that there may be a demand for a presentation like this at the York Business Conference, next due to take place in November 2013.
61. Transport as a barrier to employment - Further discussions were had with Prospect Training around transport, which again was identified as a barrier. Public transport needed to be available to fit shift patterns. It was again acknowledged that there was warehouse work available in Sherburn in Elmet but that it was difficult for many currently unemployed 18 to 24 year olds in York to access this. The Chair of Economic and City Development Overview and Scrutiny Committee thought there might be

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<sup>10</sup> In response to the comments made by the Work Programme provider a representative of JCP had made the following comment: 'JCP and Future Prospects have been working together with the North Yorkshire Care Ambassador and care sector employers to deliver a series of awareness events about the care sector for Job Centre customers. This is aimed at dispelling some of the myths around this type of work i.e. that all care work is low paid, that there are no progression prospects and that it is only working with elderly people.'

a role that City of York Council could play in advertising lift shares or looking at where improvements could be made with public transport. Whilst the Council didn't provide public transport direct it had strong links with providers across the city and the Chair agreed to raise this with the Cabinet Member for Transport, Planning and Sustainability.

62. Involving the Press – both the Employer Engagement and York Specialist and the Chair of the Economic and City Development Overview and Scrutiny Committee were keen to involve the Press in publishing success stories.

### **Analysing the Information Received to Date**

63. Up-skilling - The Task Group considered the information received to date and felt that one of the key missing pieces of the picture they had built to date was around what additional skills support the different agencies offered 18 to 24 year olds, particularly for the longer term unemployed. They believed it was imperative to ensure that any up-skilling and pre-employment training opportunities provided were relevant in order to support currently unemployed young people on their journey to gaining sustainable employment. For example, if it were established that young people were unable or found it difficult to complete an on-line application form then perhaps there was a need for IT skills training in general (not just support, from someone else, on completing on-line application forms), which would also be useful in any job gained as well as in the application process.
64. It was felt there was a fine balance (from a contract payment perspective) between taking time to upskill a client with some applied training and moving them quickly into a job. However, those with less than a Level 2 qualification should be able to access 'free training' through York College or other Skills Funding Agency (SFA) funded providers. It was not known how many clients Prospect Training or Pertemps were supporting in this way and there had been no evidence to date as to whether they were just focussing on CV writing, applying for jobs and job interview techniques.
65. As per the NEET group, a rising number of 18 to 24 year olds did not appear to be 'job ready' or 'apprenticeship ready' as they did not have the right skills, aptitudes and qualifications, including literacy, numeracy and IT. The Task Group wanted to be assured that the 'offer' of support for those going through JCP and the Work Programme was meeting the needs of the clients and included relevant pre-employment training.

66. Through JCP, as an example, young people could benefit from something called a 'sector based work academy' which covered work experience, a relevant pre-employment vocational qualification, literacy/numeracy and interview practice with an employer. This could be delivered through core SFA funding accessed by the likes of York College, YH Training and/or CYC Adult Services. It was not immediately obvious, from the information received to date, whether the Work Programme providers were offering a similar package to this through their contracts; however it was later understood that this was *not* available through the Work Programme contracts. Information contained within the paragraphs above indicated a top line approach to support: i.e. CV writing, job search which are all important, however there appeared to be less emphasis on work experience, pre-employment skills training and literacy and numeracy in order to better prepare young people to compete for and sustain jobs.
67. It was acknowledged that Work Programme providers such as Prospect Training did help clients to complete on-line application forms, however they also saw merit in employers pre-interviewing at Prospect Training's offices to get a feel for which candidates they might like to complete an application form and then select for the formal interview process. IT literacy was acknowledged to be a key skill needed for sustaining a job. If Work Programme providers continued to complete on-line applications with and/or for young people then they would not acquire an essential skill that they would need for a job or to apply for other jobs in the future. There was strong evidence that poor levels of IT, literacy and numeracy were impeding the progression of adults and the Task Group wanted to understand what support the Work Programme providers were giving young people to help them acquire these skills.
68. As an example, if young people were interested in working in a particular field, for example, the retail or hospitality sectors then Work Programme providers could better prepare young people by providing relevant pre-employment training. To this effect the Task Group particularly welcomed the offer from Prospect Training to potentially provide an 'introduction to care course' (**Paragraph 58** refers).
69. Addressing the city skills deficit of adults who have yet to attain a Level 2 qualification is a key priority, within the new City Skills Strategy, in order to bring about an improvement to the productivity of those already working and to improve the job prospects of those not working. 18% of adults aged 19+ do not have a Level 2 qualification and it would be advantageous, whilst staying within the remit of this review, to prioritise supporting the longer term unemployed clients referred to Prospect

Training and Pertemps to help them gain a Level 2 qualification as well as basic literacy, numeracy and IT skills.

70. After consideration of this issue the Task Group decided that further information was required from G4S and In-Training to better clarify what pre-employment training their sub-contractors can and do support over and above general CV writing and job search, in order to identify whether there are gaps that we can challenge.
71. Work Programme Providers – On 27th November 2012 both the BBC News website and The Guardian newspaper website reported that only 3.5% of people referred to the Work Programme found a job for six months or more – missing the Government’s target of 5.5%. Analysis by the Guardian revealed that none of the 18 Work Programme contractors managed to get 5.5% of unemployed people referred to the scheme a job for six months or more.
72. The recently published Centre for Economic and Social Inclusion’s analysis of the DWP’s first Work Programme performance statistics<sup>11</sup> gives details of performance broken down to ages and claimant types for both the contract package (North, East Yorkshire and the Humber) and individual Local Authority job outcomes.
73. North, East Yorkshire and the Humber has very low job outcomes from the Work Programme in relation to the rest of the country with only 2.9% of job outcomes as a proportion of referrals and only one other contract package area having a poorer performance figure. In York specifically only 3.8% of those referred to the Work Programme had a job for six months or more and only 2.7% of 18-24 year olds.
74. City of York Council had already recognised the need to enhance the current national arrangements with various network meetings. Primes and local delivery partners have been invited to join the Learning City ‘Connecting People to Jobs and Opportunities’ network. Two meetings have been held to date (October 2012 and March 2013); as yet the Work Programme providers have not attended. Individual meetings with each provider have been held with the Partnership Manager, but the engagement of the providers with wider local networks would be welcome.
75. In light of the above the Task Group met with representatives from G4S and In-Training along with representatives from Pertemps on 19<sup>th</sup>

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<sup>11</sup> <http://www.cesi.org.uk/keypolicy/work-programme-performance-statistics-inclusion-analysis>

February 2013. Discussions ensued around the figures set out in **paragraph 73** above and the low job outcomes that had been achieved from the Work Programme.

76. The Work Programme ran on a two year cycle and was now approximately 18 months in, with the end of the first two year period being June 2013. Those who were still out of work at the two year point would be referred back to JCP for support. Normally the Work Programme provider would only see clients one day in a fortnight but as the first tranche of Work Programme referrals was coming towards the two year point it was understood that the providers were running intensive workshops (for up to eight days consecutively) with those young people who were still out of work. These workshops covered basic skills and also attempted to look at what the barriers were for them gaining employment.
77. G4S and Pertemps said that there was a struggle to upskill those who were at pre-entry level or entry level 1. 36% of JSA claimants of ages had poor literacy and numeracy skills (cannot read and write to Level 2). The Work Programme providers said that such clients posed a significant problem as they often needed one to one reading and writing lessons. G4S could offer Maths, English and Computing to Level 1. Both G4S and In-Training acknowledged that in future, the programme of intensive training should be done at an earlier stage of the Work Programme.
78. Work Programme clients were split into nine different payment groups. For the purposes of this review Group 1 and Group 3 clients were the ones that the Task Group needed to know more about. Group 1 clients were 18-24 year olds who had been unemployed for 6 months on reaching the Work Programme. A success payment was triggered when a client had 26 weeks of work within the two year cycle; however this did not have to be consecutive and could take the form of several shorter contracts. The Work Programme success rates for Group 1 clients were quoted to the Task Group as 31% for In-training and 34% for G4S; however these have not been verified.
79. Group 3 clients were longer term unemployed i.e. 1 year + and included 18 to 24 year olds. These clients were often harder to place as they may have previously been NEET, may be lower skilled and often had more complex backgrounds and needs. They were considered to have more barriers to entering and sustaining employment than Group 1 clients. Payments for Group 3 clients were triggered at 13 weeks. Neither Work Programme provider had figures for the success rate of getting Group 3 clients age 18-24 years into work.

80. Generally speaking it was acknowledged that there was a lot of 'churn' and people on the Work Programme were taking more than one job. The Task Group felt that the ultimate outcome should be sustainable employment for those referred to the Work Programme. It was explained that some job contracts were temporary, casual or short term and it was not always within the control of the individual or the Work Programme provider whether employment was terminated. It was acknowledged that nationally there was more casual and short term work and it was not just a local issue.
81. The Task Group asked why there were apprenticeship places still vacant and the representative of Pertemps said that in some cases young people could not afford to take an apprenticeship position at £95 per week. The Learning City York Partnership Manager asked if it would be useful to set up apprenticeship workshops as apprenticeships were available in many different sectors at varying pay rates and there were vacancies that needed filling. This was considered to be a positive step forward.
82. Transport – this was a barrier that had been identified on several occasions and discussed at previous points in this report. However on 19th November 2012 the BBC reported on its website that Essex County Council had set up a group to look at giving free travel passes to unemployed people... *'there are large number of youngsters genuinely looking for work or apprenticeships' ... 'we are obviously very concerned that young people have a problem travelling to find jobs and apprenticeships and we want to take away any barriers to them.'*
83. The Learning City York Partnership Manager informed the Task Group that lobbying for cheaper travel for the 16 to 18 year old student market i.e. for those still in education had been ongoing for a number of years with bus companies. It is felt that there is a genuine evidence based travel barrier to supporting unemployed young people into work (which could include to Leeds/Selby etc) then some scoping of 'affordable' options could take place.
84. In an article on the Guardian newspaper website on 10<sup>th</sup> December 2012 it was announced that free bus travel was being offered to unemployed people in an attempt to help them find work. About 70% of all bus routes in England, Wales and Scotland would be covered by the initiative and it was understood that this was available to anyone over 3 months unemployed (but not on the Work Programme). However it was dependent on bus companies participating and was currently only for the

month of January 2013 with a view to extending this if there is good feedback.

85. It was later reported in the York Press on 8<sup>th</sup> January 2013 that job seekers in York were being offered free bus travel in a scheme aimed at helping the long-term unemployed get back to work. The initiative, which is a joint effort by bus operators First, Arriva, Coastliner and East Yorkshire Motor Services (EYMS), is part of the national Bus for Jobs scheme and will offer free journeys for those who have been unemployed between three months and a year for the month of January 2013.
86. In addition to this the Work Foundation which was part of Lancaster University had, in December 2012, published a paper entitled 'Missing Million Policy Paper 2: Transport Barriers to Youth Unemployment'<sup>12</sup> which said that rising transport costs were making it difficult for thousands of young people to participate in education and training, leaving many unable to enter or stay in work.

### **Further Evidence Gathered**

#### City of York Council Apprenticeship Scheme

87. Young people were particularly vulnerable in these difficult economic times because of their lack of job-specific skills and work experience. In addition to this, the number of young people that were NEET (16-18 year olds) was rising. City of York Council was therefore creating a 'support and employment offer' for young people to create conditions that would facilitate their transition from education to working life in the following areas:
- Apprenticeships (16-24 year olds)
  - Foundation Learning Placements (Pre-Apprenticeships, 16-18 year olds)
  - Work Experience Placements (16-24 year olds)
  - Work Experience Placements (14-16 year olds)
  - Student and Graduate Internships
  - Mentoring Scheme for Apprentices and Care Leavers
88. The Task Group learned about the apprenticeship programme at City of York Council which was now in its second year. As of 25<sup>th</sup> September

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<sup>12</sup> <http://www.theworkfoundation.com/Reports/327/Missing-Million-Policy-Paper-2-Transport-barriers-to-youth-employment>

2012 City of York Council employed a total of 57 apprentices. A recruitment campaign took place during June/July 2012. For those young people who were classed as NEET City of York Council had worked with 'Connexions'<sup>13</sup> to assist with the recruitment campaign which had included:

- Letters sent to all young people registered NEET (16-18 year olds)
- 1000 mobile texts to wider 'targeted group' aged 16 to 18
- Identified group of 160 ethnic minority group clients aged 16-18 and texts sent
- Information sent to partners who may 'access hard to reach groups'

89. The recruitment campaign was launched in June 2012 and leading up to this a number of activities took place to promote the scheme. A promotional leaflet was produced and distributed to all schools and colleges on 31<sup>st</sup> May 2012 to highlight City of York Council as an apprenticeship employer. City of York Council also attended a number of information events, using current apprentices to share their views and experiences to help possible candidates gain a further insight into the scheme. In addition to this there were press releases and information on Twitter and all vacancies were advertised on the Council's website and via the National Apprenticeship Service website. Those young people recruited to CYC Apprenticeships over the last 18 months have been between the ages of 16-24, including unemployed Graduates.
90. City of York Council also has 10 learners enrolled with York Training Centre who are completing the pre-apprenticeship programme; these placements are designed to provide an introduction to employment and learning, for 16 to 18 year olds.
91. This Authority is currently looking at facilitating other work experience schemes aimed at other young people (16-24). These placements will offer the opportunity to participate in the world of work and gain practical experience within the workplace and therefore we will be looking for departments within the organisation to make offers for these.
92. In addition to this the University of York is offering a January – February 2013 Internship Programme to its most recent graduates. The Graduates of 2012 identified as unemployed in November of 2012 will be offered a

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<sup>13</sup> The service aims to help young people up to 19 (and 25 if they have a learning difficulty and disability) get advice, guidance and access to opportunities and to help make a smooth transition to adulthood and working life



package of support measures which will include the offer of a substantive piece of 'paid' work experience to run for eight weeks from early January 2013. City of York Council is working with the University of York and encouraging managers to offer project work for this scheme. Seven placements are being supported. These 'internships' will be paid for and employed by University of York.

#### Connecting People to Jobs & Opportunities in York

93. 'Connecting People to Jobs & Opportunities in York' is a partnership network chaired by the Learning City York Partnership Manager. The multi-agency network met for the first time on 9<sup>th</sup> October and all Members of the Task Group attended to give an update on the work that had happened in relation to this Scrutiny Review and to learn about some of the other things happening in the city around creating jobs and opportunities.
94. The Task Group were present at the meeting and asked the network whether they had any suggestions that they might like to put forward for ways City of York Council could better support young unemployed people to navigate the employment market and get a job.
95. As a result of this meeting JCP provided the following link to the Task Group which details Jobcentre Plus's Youth Contract offer for 16-24 year olds.

<http://www.dwp.gov.uk/youth-contract/key-initiatives/>

This provides information on:

- Wage incentives for employers - From 2 April 2012 until April 2015, employers are able to take advantage of 160,000 wage incentives. These are worth up to £2,275 each where they employ an 18 to 24 year old from:
  - the Work Programme
  - Jobcentre Plus, for employers who take on a young person living in one of 20 local authority areas (this does not include York) (since Jan 2013, this has been extended to those young people, aged 18-24, who have been unemployed for 6 months + i.e.: on JSA with JCP, as well as those eligible for the Work Programme)
- Work experience - Extra work experience places will be available across Great Britain over the next 3 years ensuring there is an offer of a place for every 18 to 24 year-old who wants one, before they enter the Work Programme (dependent on local employers providing placements).

- Sector based work academies - Extra places will be available in England and Scotland over the next three years, ensuring there is an offer of a place for every 18 to 24 year-old who wants one, before they enter the Work Programme. This facilitates the opportunity to gain a vocational qualification, up to 8 weeks work experience and a guaranteed interview with an employer (subject to local provision being offered).
- Apprenticeship wage incentives - £1500 is available to encourage small to medium-sized businesses to take-on Apprentices aged 16-24 in England, who have not previously taken on apprentices. In relation to support for disengaged 16 to 17 year olds in England - the Government will invest £126 million over the next three years to support very low qualified young people aged 16 to 17 who are not in education, employment or training in England. For York, those eligible for support i.e. no GCSEs Grades A\*-C equates to around 90.

96. Following the input of the Task Group into the October 2012 meeting of 'Connecting People to Jobs & Opportunities' Higher York liaised with its Higher Education partners to provide a briefing paper regarding graduates (from York-based Higher Education Institutions) accessing the job market in York. This is at **Annex C** to this report. Graduates were part of the 18-24 age bracket that this review was looking at.
97. The paper at **Annex C** states that '*... we know (anecdotally) that graduates choose to stay or return to York and we know that some remain unemployed and some are underemployed. We can see that if graduates are taking on roles previously taken by those with lower levels of education that this is potentially having an effect on the rest of the labour market in York.*'

It was understood that more research needed to be done around this displacement and Higher York were seeking to make a bid to the CYC Delivery and Innovation Fund (DIF) to conduct some research into this area.

### Future Prospects

98. Future Prospects is a City of York Council service that supports free learning & work advice (over and above the nationally funded National Careers Service, contracted through Babcock Enterprises in York), as well as the delivery of a number of contracted training programmes for unemployed residents in York e.g. ex-offenders; families with multiple issues and support for redundancies. Future Prospects is a multi-funded, not for profit service arm of CYC that ensures people have access to

impartial and objective advice and guidance. The service is constantly changing to reflect the needs of local people. Future Prospects provides a central point for information and advice on training and education opportunities in the area (alongside the National Careers Service) and is currently based in Swinegate. They offer a varied programme of information events in conjunction with JCP such as:

- Find out about the range of opportunities and skills required for working in the hospitality sector
- Apprenticeships
- Social care awareness information events
- working within the sports and leisure sector – information and employment event
- Working in administration
- Working in retail
- Working within the science sector
- Transport and logistics information and employment day

99. Such sector specific workshops as those mentioned above were seen as very valuable by the Task Group and they expressed the wish that these should continue as they were likely to be effective at helping young people get a flavour of different work sectors and help them decide which jobs might suit them. They could also go some way towards overcoming prejudices and preconceptions about what it is like to work in certain sectors.

100. The Task Group also understood that a Jobs Fair had been held at the Hilton Hotel on 13<sup>th</sup> October 2012. This had been organised by Learning City York and the Economic Development Unit at City of York Council but co-ordinated by Future Prospects working in partnership with JCP. Job Fairs were where recruiting employers, training providers and employment support agencies had stands and afforded both the employer and job seekers the opportunity to meet face to face. The Jobs Fair held in October 2012 was attended by 1556 people of all ages. It is unknown exactly how many of these were between 18 and 24 years of age but taking into account the adviser referral activity for this event it is estimated that it is approximately 51%.

101. The Task Group saw Job Fairs as a positive way for both employers and potential employees to meet and would like to see them continue and held on a six monthly basis.

## **GeniUS**

102. The Chair of Economic and City Development Overview and Scrutiny Committee was keen to gauge the views of a wider audience and to this effect posted a question to the GeniUS website, namely:

*'How can City of York Council help young people to get work?'*

103. This ran until 16<sup>th</sup> November 2012 and there were three responses received. These were from 'Reaching Out', Gap Training Limited and Inspired Youth (Youth Inclusion). A copy of the responses is at **Annex D** to this report. The respondents were invited to an informal meeting of the Task Group but were unfortunately unable to attend. However the Learning City York Partnership Manager is following up these responses.

## **Options**

104. There are no direct options associated with the recommendations in this report. Members are asked to consider the report and its associated recommendations and indicate any amendments they may wish to make prior to them being submitted to Cabinet for consideration.

## **Analysis**

105. Analysis of the information received is contained within the body of this report and on consideration of this and the discussions had as part of this review the Task Group believed that recommendation should be made as follows:

### **Recommendation 1 - Reducing youth unemployment**

106. The Task Group felt that setting quantifiable targets would be a positive way of working towards reducing youth unemployment. However they realised that any target set needed to be achievable and would need discussion with key partners such as JCP and the Work Programme providers. It would be overly ambitious to set a target to reduce youth unemployment by 50%, for example, as this would take the unemployment levels back to those of 2008, prior to the current economic climate. There would also need to be a clear rationale and appropriate interventions to secure such an ambitious reduction, and the realisation that there would always be a certain level of unemployment, even in times of economic growth. However, on behalf of CYC, the Learning City York Partnership Manager was aiming to include a target in the new City Skills and Employment Strategy to reduce youth unemployment by 2016.

107. The Task Group, therefore, felt that the overall aim of any recommendation made should be to both reduce the overall number of 18-24 year olds that were out of work but more specifically to aim for a reduction in those that had been unemployed for more than 6 months. Any target suggested would be to reduce the numbers claiming JSA, not just the number of people aged 18-24 who were longer term unemployed.

108. They realised that it was important that someone took ownership of the target, especially as all the agencies concerned had different contracts and worked in different ways. They felt that this could be effectively managed by the Connecting People to Jobs and Opportunities partnership network (and subsequently the Learning City Board, which this network reported to). On further discussion with the Learning City York Partnership Manager it was felt that the overall aim should be:

- To reduce youth unemployment by 40% to pre-recessions levels by 2016
  - As of January 2013<sup>14</sup> youth unemployment (18-24 year olds) stood at 725
  - As of January 2008 the figure was 440

109. The two 'jobs' and 'unemployment' targets that we should be articulating within the overall skills strategy (for all ages) will focus on:

- Increasing employment rates to pre-recession levels and;
- Reducing unemployment (JSA claimant benefits) to pre-recession levels

110. To this effect the Task Group make the following recommendation:

***Recommendation 1: 'That the Learning City York Partnership Manager, via the 'Connecting People to Jobs and Opportunities' partnership network and the Learning City Strategic Board, take overall responsibility for setting an achievable target with key partners within the city to reduce longer term unemployment in the 18-24 year old age bracket'.***

**Recommendation 2 – Apprenticeships**

111. The Task Group felt that City of York Council's apprenticeship programme had been successful and would like to see the offer continued. In addition to this they thought an understanding of how

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<sup>14</sup> January 2013 are the latest published figures available

successful the programme was could be gauged by gathering information on whether young people who had undertaken an apprenticeship at the Council were still in work (in or outside of the Council) or had decided to undertake further training 6 – 12 months later.

112. The progression of young people who had completed an apprenticeship to go on to obtain sustainable employment or further training was critical to identifying how successful the programme actually was.
113. However it was acknowledged that there were unfilled apprenticeship vacancies with a variety of other employers in the city and this needed to be addressed to ensure maximum take-up.
114. This led to the following two part recommendation being made:

***Recommendation 2:*** *‘That City of York Council continue to offer apprenticeships to young people under the age of 24 and evaluate the success of this by collecting information on how many of those that have completed an apprenticeship at the Local Authority are still in work or further training 6 – 12 months later’ and ‘that the Learning City York Partnership Manager lead on a programme with the Head of Adult Services to develop a programme that better supports unemployed 18-24 year olds into unfilled apprenticeship vacancies.’*

**Recommendation 3 – Work experience**

115. As part of this review the Task Group considered information around the work experience the Council offered to both under 16s and those between the ages of 16 and 24. They noted that the Council offered work experience opportunities for under 16s (whilst still at school) and for those aged under 18 (who were not ready for an apprenticeship). It was acknowledged that work was taking place around facilitating other work experience schemes aimed at young people aged between 16 and 24 however the Task Group felt that there was a gap in work experience opportunities offered by the Council for those 18-24 year olds who had been unemployed in excess of 3 months.
116. Initial discussions between the Learning City York Partnership Manager and the Head of Strategic Workforce Development and Resourcing indicated that staff resources were already stretched in terms of facilitating and managing any further work experience placements and there would need to be further discussion to see if there was potential to support a small scale offer to match unemployed 18 to 24 year olds to specific opportunities within the Council.

117. Incidentally the Learning City York Partnership Manager has recently confirmed that she is working with Human Resources and other service users of the Council's new headquarters e.g. Citizen Advice Bureau, the Credit Union and the Police to set up a programme to support work experience placements for unemployed 18 to 24 year olds and other age groups.
118. To supplement this and to offer a full and rounded range of work experience placements the Task Group also felt that the Council needed to ensure that there was a proper Graduate and Student Internship Programme in place.

***Recommendation 3: That City of York Council continue to offer work experience placements to under 16's (whilst still at school) and under 18s not yet ready for an apprenticeship. And in addition to this:***

- i. That the Head of Strategic Workforce Development and Resourcing, in conjunction with the Learning City York Partnership Manager, offer a discrete, managed, matched pilot, of work experience placement opportunities for unemployed 18 to 24 year olds, who have been unemployed in excess of three months*
- ii. That the Head of Strategic Workforce Development and Resourcing ensures that there is a robust Graduate and Student Internship Programme in place within the authority.*

**Recommendation 4 – Job Fairs**

119. Whilst gathering evidence for this review the Task Group heard about a Job Fair that had been held in October 2012, this was well attended and considered to have been a success. It was understood by the Task Group that these were likely to continue and they wanted to offer their support for this to happen on a twice yearly basis; seeing them as a valuable tool for both employers and potential employees to meet face to face to discuss various aspects of work.
120. Job Fairs, however, came with a cost and there was no central or currently allocated budget for this type of activity. Job Fairs cost approximately £5,000 each, so if they are held twice yearly costs will be in the region of £10,000. The Learning City York Partnership Manager informed the Task Group that she had prepared a bid (in liaison with the Head of CYC Adult Services) to the economic inclusion strand of the Economic Infrastructure Fund (EIF). This had recently been considered by the project board for Creating Growth and Growing the Economy and had been approved. This means that Job Fairs will take place in May and

October until and including 2016. They will be facilitated by CYC Adult Services in liaison with JCP.

121. This Task Group were happy to support the bid and hoped that in the future costs of supporting Job Fairs could be shared between other agencies and those employers taking part.

***Recommendation 4: That the Head of Adult Services at City of York Council ensures that Future Prospects works in partnership with Jobcentre Plus and leads on the co-ordinating of twice yearly Job Fairs.***

**Recommendation 5 – Sector specific workshops**

122. Sector specific workshops were seen as a positive way for people to learn about different work sectors and get a taste for what working in specific sectors might be like. As can be seen from the information contained within **paragraph 98** of this report Future Prospects, in conjunction with JCP, already offer a wide range of workshops and the Task Group were keen that these were continued and better promoted.
123. There was currently an identifiable gap in the service offered in terms of who was invited to attend the workshops; with the Task Group very keen that these should be opened up to *all* unemployed 18-24 year olds. At the moment they were not offered to those on the Work Programme.
124. They felt that Future Prospects, working with other agencies across the city, were well placed to co-ordinate and organise this type of activity and felt one of the critical success factors of Future Prospects was their ability to offer a neutral and welcoming environment to hold these workshops in.
125. Despite this the Task Group was still keen that these workshops continued to be held at Future Prospects' premises if at all possible; with the justification that it was a neutral venue and clients from all organisations could be invited there. Work Programme providers, for example, were only contracted to work with their own clients and so it was unlikely that they would be able to open up their premises to those that had not been referred to them.
126. They also believed that cross-agency working was needed because the sector specific workshops had to attract a critical mass of people to be successful. They therefore suggested that it might be possible for the various agencies involved to contribute to the costs of these events, either financially or by way of sharing staff. The overall aim was co-



operation between all agencies to help currently unemployed people back into work.

***Recommendation 5: That the Head of Adult Services at City of York Council ensures that the Future Prospects team continue to work in conjunction with Jobcentre Plus, to offer sector specific workshops and that both Work Programme providers and their clients\* are made aware of the sector specific workshops on offer.***

*\*in this instance clients means unemployed 18 to 24 year olds, including those on the Work Programme*

**Recommendation 6 – Networking**

127. In October 2012, the Learning City York Partnership Manager established a networking group called ‘Connecting People to Jobs and Opportunities’ which has representation from many agencies actively helping unemployed/out of work residents. This has now met on several occasions and actively works on solutions to bring people of all ages back into employment.

***Recommendation 6: That the Learning City York Partnership Manager continue to facilitate quarterly networking meetings of ‘Connecting People to Jobs and Opportunities’ to support residents on out of work benefits and seeking employment. This networking meeting should include a standing item on looking at potential solutions to enable currently unemployed 18-24 year olds back into work.***

**Recommendation 7 – Marketing campaign – support for and business benefits of employing York’s Young People**

128. Having considered all the evidence received to date and listened to and spoke with various key partners the Task Group did not feel that there was enough media coverage about the support available for young people and those young people who had successfully gained employment. They believed that there was a distinct gap when it came to things such as:

- marketing the success stories of young people who had gained employment/become self employed
- promoting the success of apprenticeships and graduate interns
- promoting some of the initiatives available to employers such as the wage incentive
- promoting Job Fairs

129. With a focus on the longer term unemployed who had successfully gained employment it was suggested that the Head of Communications collect regular articles and stories with an aim to attract success stories into print, on the radio, through in-house publications and by using digital meeting. The recent '100 in 100 days Apprenticeship Campaign' facilitated by Learning City (City of York Council) with partners, had had some very positive media coverage and the Task Group were keen that this should continue but as part of a more structured package of marketing.

130. On discussion with the Head of Communications the Task Group thought that a package of about 12 to 14 articles (delivered via various mediums) would be an achievable target and this may include a video from the next Job Fair.

***Recommendation 7: That the Council's Head of Communications lead on a branded campaign that effectively markets:***

- i. success stories and inspiring cases about York's young people finding jobs/self employment and those that have overcome barriers to gain employment*
- ii. apprentices and interns*
- iii. a video of the next Job Fair*
- iv. wage incentives and support available to employers*

**Recommendation 8 – Support available to employers**

131. The Task Group gave consideration to the support on offer to employers and how better to raise awareness of what was available to them. The Learning City York Partnership Manager confirmed she was already working with partners on how best to do this via workshops, conferences, direct business engagement, websites etc with the aim of ensuring good advice was being given as to what support was available.

132. After further discussion the Task Group suggested that a news bulletin be sent to employers prior to any future Job Fairs to raise awareness of when these were happening and what employers could gain from attending. In addition to promoting wage incentives as per **Recommendation 7** above the Task Group also asked that York Business Week include a workshop/information for employers on the different wage incentives available to them if they employed someone from the Work Programme.

**Recommendation 8:** *That the Learning City York Partnership Manager continue to promote the range of support available to employers.*

**Recommendation 9 – Transport barriers**

133. As part of this review the Task Group heard on several occasions that transport was a barrier for some young people when seeking employment. Whilst there were some moves to providing assistance for free bus travel for those that had been unemployed in excess of 3 months, currently this was only for a trial period during the month of January 2013.

**Recommendation 9:** *That the Assistant Director for Strategic Planning and Transport explore potential ways and investigate the feasibility of funding/providing sustainable subsidised travel that fits shift patterns and would help young people to access entry level jobs outside of the city centre (e.g. bicycles, public transport, car share)*

**Recommendation 10 – Supporting earlier employability interventions for those on the Work Programme**

134. The payment methodology appears to incentivise the Work Programme providers to prioritise support for the most work ready clients first. Those who have more complex needs and required more intensive support appear to be overlooked during the earlier stages of the Work Programme cycle.

135. The Task Group acknowledge that this is the first two year cycle of the Work Programme and providers will be reviewing the supporting interventions for clients, seeking to improve their current job outcomes and performance.

**Recommendation 10:** *That the Work Programme providers, working with the Learning City York Partnership Manager and the Head of Adult Services at City of York Council, develop a plan for improving the skills of those clients without basic literacy and numeracy. This should happen in the first year of the Work Programme's two year cycle.*

**Council Plan 2011-15**

136. This Scrutiny Review is directly linked to the 'Create Jobs and Grow the Economy' priority of the Council Plan 2011-15. The aim of the priority is for all of the City's residents to enjoy the opportunity to achieve their potential within York's economy. A strong and growing economy will

provide new job opportunities and the ability for residents to achieve a high quality of life for themselves and their families.

### **Implications**

137. Many of the relevant service managers have been involved during the course of this review and have had conversations with the Task Group around deliverability of the proposed recommendations. More in depth information in relation to the implications associated with the recommendations will be tabled at the meeting.

### **Risk Management**

138. In order to meet the priority in the Council Plan 2011-15 around creating jobs and growing the economy there is a need to address what opportunities there are for young people to become gainfully employed. There is a danger that if we do not introduce some or all of the measures set out in this report the Council would not meet some of the ambitions contained within the Council plan.

### **Recommendations**

139. Members are asked to agree the ten recommendations set out in the paragraphs above prior to them being referred to Cabinet for consideration.

Reason: To bring this Scrutiny Review to a close.

### **Contact Details**

#### **Author:**

Tracy Wallis  
Scrutiny Officer  
Scrutiny Services  
Tel: 01904 551714

#### **Chief Officer Responsible for the report:**

Andrew Docherty  
Assistant Director Governance & ICT  
Tel: 01904 551004

**Report  
Approved**



**Date** 14.03.2013

#### **Specialist Implications Officer(s)**

**Wards Affected:**

All

**For further information please contact the author of the report**

**Background Papers:**

None

**Annexes**

**Annex A** Introductory paper

**Annex B** Apprenticeship development in York and programmes supporting young people 16-24 into work

**Annex C** Paper from Higher York – Graduates accessing the job market in York

**Annex D** Responses to question posted on the GeniUS website

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## Update

### **Youth Unemployment Scrutiny Review – Draft Final Report**

*With the agreement of the Committee the information in this update will be added into the final report arising from this review prior to it being submitted to Cabinet for consideration.*

#### **A. Latest Job Seekers Allowance figures & Information - February 2013**

1. National context - York has a statistically lower level of Job Seeker Allowance (JSA) claimants than regional and national averages. However York has an issue with the proportion of long-term and youth claimants within its figures with long-term youth claimants still being higher than one year ago.
2. York overall picture - The JSA Claimant count for York in February 2013 is 3112. This is an increase of 74 from the previous month and represents 2.4% of the working age population. The region stands at 4.9% and GB at 3.9%. Last February (2012) the total was 3682 (therefore a decrease of 570 since February 2012) and was 2.8% of the working age population. This is the lowest February figure since 2008.
3. Seasonal effects - Between January and February there are some seasonal effects that we would expect to result in an increase in unemployment numbers with trends indicating that next month's figures should come down.
4. Ward - The most deprived Ward's have;
  - the highest number of long-term claimants
  - the highest number of youth claimants
  - the highest number of claimants aged over 50

These Ward's are;

- Westfield
- Holgate

- Clifton
- Micklegate
- Heworth
- Guildhall

## 5. Further Headlines

- York has seen an increase in its youth unemployment count, up by 45 from last month. In February 2012 the total number of claimants (18-24) stood at 1025, reducing by 255 to 770 in February 2013
- Claimants out of work for over 1 year decreased by 25 last month, and that represents a decrease of 40 from 1 year ago
- Male claimants have increased by 57 from the previous month
- Female claimants have increased by 17 from the previous month
- 18-24 year olds, claiming over one year, have stayed the same as last month, totalling 110, however an increase of 30 from one year ago
- 330 people found work in the last month and 315 failed to sign – the majority of these will have found employment and will have not informed JCP
- York is the fifth least affected city for JSA claimant rate change since February 2008 (Centre for Cities)
- York is the joint 4th least affected city for Youth JSA claimant rate change since February 2008 (Centre for Cities)

## **B. Update on the success of the free bus travel scheme offered in January 2013**

*Paragraphs 82 to 86 of the draft final report refer:*

- The four major UK bus operators (Arriva, First, Go Ahead and Stagecoach) offered free bus travel for job seekers for the month of January 2013.<sup>1</sup>
- In York, approximately 1,000 journeys were made by job seekers under the offer in January. In addition to the two operators involved with Greener Journeys, York operators EYMS and Yorkshire Coastliner also made the offer available on their services.

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<sup>1</sup> Further information can be found via the link below:

<http://www.greenerjourneys.com/2012/12/bus-for-jobs-job-hunters-given-free-bus-travel/>



- The offer was made on a commercial basis (i.e., the operators took the 'hit' for the revenue lost and were not reimbursed by local authorities).
- It is believed that there is no intention to extend the scheme.
- As this was a national initiative, it is unlikely that free bus travel for job seekers would be introduced on a local basis without local authority subsidy.

### **C. Implications of the recommendations:**

Where possible those affected by the recommendations arising from this scrutiny review were involved in the review and made aware of the likely recommendations and the impact these would have on them. There was a general consensus running throughout the review that all were implementable. However the Task Group, due to time constraints were unable at the time of the review to consult with the officer responsible for Recommendation 9. His comments are detailed in the paragraphs below.

#### **Overall:**

- **HR** - The Head of Strategic Workforce Development and Resourcing has indicated that she is content with the recommendations and there are no implications for HR. However:
  - It should be noted that 6 of the 10 recommendations specifically make reference to the post of Learning City York Partnership Manager to lead or work with other CYC post holders to implement the actions arising from the review. This means that various post holders will need to pick up these specific actions as part of their core role and responsibility.
- **Financial** – Where recommendations may require 'additional funding' or capacity this has, where possible, either been addressed through bids to the Economic Infrastructure Fund e.g. for recommendation 4 around financing jobs fairs or is currently being reviewed within Education and Skills e.g. deployment of Apprenticeship time to support or deployment of staff time within other teams [*comment from the Learning City York Partnership Manager*]
- **Financial** - These recommendations carry their own financial implications, although it is understood that several of these will be drawn from existing budgets and where this is not possible and additional funding is required, proposals will be made formally to

the appropriate funding source – and where necessary to external pots of funding [*comment from the Head of Economic Development*]

**For Specific Recommendations:**

Recommendation 4: Funding has already been found, via a successful bid to the Economic Infrastructure Fund (EIF), for jobs fairs to take place in May and October until and including 2016.

Recommendation 9: The comments of the Committee are welcome as they highlight the key role that transport has in enabling access to employment opportunities. The recommendation would require a feasibility study. Funding and resources would be required to undertake this study as it is not in the current work programme.

## Annex A - Key Statistics and Trends

	Feb 2010	Feb 2011	Feb 2012	Trend																
<b>Job Seekers Allowance Claimants</b> No. and % of Working Age Population(16-64)	4,134 3.0%	3,655 2.6%	3,682 2.7%	<b>Stable</b> (43% unemployed for less than 13 weeks)																
<b>JSA Claimants</b> No. and % of Working Age Population (18-24)	1,200 4.1%	1,005 3.4%	1,025 3.5%  (28% of all JSA)	<b>Slight increase</b> (month on month fairly stable; 4 <sup>th</sup> lowest city in country) Circa 65% male : 35% female By duration of benefit claim: <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td>4/11</td> <td>4/12</td> <td></td> </tr> <tr> <td>Less than 6 months</td> <td>740</td> <td>615</td> <td>+ve</td> </tr> <tr> <td>6 – 12 months</td> <td>185</td> <td>300</td> <td>-ve</td> </tr> <tr> <td>12 months +</td> <td>30</td> <td>100</td> <td>-ve</td> </tr> </table> Highest claims in Clifton, Heworth, Westfield, No data to analyse claimants by skill level		4/11	4/12		Less than 6 months	740	615	+ve	6 – 12 months	185	300	-ve	12 months +	30	100	-ve
	4/11	4/12																		
Less than 6 months	740	615	+ve																	
6 – 12 months	185	300	-ve																	
12 months +	30	100	-ve																	
	<b>Jan 2010</b>	<b>Jan 2011</b>	<b>Jan 2012</b>																	
<b>NEET (16-18)</b> No. & % not in education, employment or training	283 4.1%	274 3.9%	286 5.7% (4.5% = old count)	<b>Increasing</b> (3 <sup>rd</sup> lowest in country) (20 x 16-17 yr olds on JSA) (Not known in 2012 = 144)																
<b>JCP Vacancies</b>		1088	1395	<b>Increasing</b> Top 5 = care assistants; sales reps; sales & retail assistants; postal workers and cleaners. Top 5 jobs sought do <b>not</b> include caring and there is excess demand for construction jobs.																

## 1. Initiatives & Agencies Supporting young people into Jobs and Opportunities:

### 1.1 Support for 18 – 24 year olds

1.2 **Job Centre Plus (JCP)** hold the statutory responsibility to provide support for **all ages** of benefit claimants to get back into work.

1.3 **At a strategic level in York – Learning City York (City of York Council) works with JCP and city-wide** partners to monitor and review evidence-based priorities for adult residents (19+) in the city, to secure appropriate high quality universal and targeted support and provision. This provision and support helps to underpin priorities agreed within the York Economic Strategy and York Employment, Learning and Skills Statement of Need. Both of these documents take account of Council Plan priorities. This work is facilitated in two ways:

- Key Account Meetings with the key agencies and providers to monitor performance and identify gaps in provision, and
- ‘Connecting People to Jobs and Opportunities’ network that brings stakeholders together to review priorities and better plan provision for adult residents (19+) in the city. Whilst these meetings have not specifically focused on 18-24 year olds, they have resulted in writing successful bids to support targeted programmes for priority groups e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work; Supporting 18-24 year olds with learning difficulties and disabilities.

1.4 **The Government’s welfare reforms** have included the introduction of a single universal benefit; the introduction of Get Britain Working Measures delivered by Jobcentre Plus; and the Work Programme commissioned through Department of Work and Pensions (DWP).

### 1.5 **Support for those adult who are 0 – 3 months unemployed:**

All new benefit claimants are assessed by JCP advisers who will ensure that support is personalised to meet the needs of the individual. **The Get Britain**

#### **Working measures include:**

- **Work Clubs** - to encourage people to share skills and experience (Future Prospects run 3 across the city for all ages)
- **Work Together** - a way of developing skills through volunteering (York CVS are facilitating referrals, but funding cuts have reduced capacity to deal with demand)
- **Work Experience** - to give people practical, recognizable experience (**opportunity for CYC**)

- **Enterprise Allowance** - to encourage people into self-employment through greater support and financial help (36 people of all ages are currently on this programme in York, supported by York & NY Business Advice Centre, Clifton Moor, 19 have already become self-employed, **no 18- 24 year olds**)
- **Enterprise Clubs** – peer to peer support and semi-structured workshops for those looking at self-employment and starting-up a business (Future Prospects are running a club with the Change Foundation and Business Advice Centre in the city centre with a specific strand to support JSA claimants to become new market traders; York College have a European Social Funded support programme for those aged 50+)
- **Sector-Based Work Academies** – launched summer 2011 - linking work experience with tailored skills training and a guaranteed interview for employment opportunities in specific sectors
- **Skills ‘Conditionality’ Offer** through Skills Funding Agency Providers – JCP are able to refer JSA clients to York College (YC), YH Training (YH) and CYC Adult Education for basic skills (literacy & numeracy) support and some vocational training; the following roll-on, roll-off pathways are being offered:
  - General employability (YC, CYC, YH)
  - Graduates (YC)
  - Professional (YC)
  - Pre-Access to HE (YC)
  - Hospitality & Catering (YC)
- **Mandatory Work Activity** – targeting those who continually fail to demonstrate acceptable job search activity
- **Targeted support via JCP Flexible Support Fund** – 5 small 6-month delivery bids (£10-£15k each) have been successful in York, with the support of Learning City:
  - Future Prospects – continuation of Job Connect Clifton to support mental health clients via Clifton GP surgery (albeit this funding has now come to an end)
  - York College – ‘Taking Control’ to support 18-24 year olds
  - York College & Blueberry Academy – ‘Supporting Success’; targeting young adults with Learning Difficulties & Disabilities (LDD)
  - York Mind – supporting clients with mental health issues
  - Children’s Society – supporting young adults with LDD

#### 1.6 **Support for those who are 3 – 12 months unemployed:**

Referred to the **Work Programme**. The referral will depend on the type of claimant and will be at any point from 3 to 12 months of their claim.

- In York, Work Programme Prime Contract holders are G4S and In-Training.
- Both have sub-contracted delivery to Pertemps (offices near Heworth Green) and Prospect Training (Ryedale House) respectively.

- They have been given the incentive to develop support based on customer need and will be paid on results with greater rewards linked with those furthest away from the labour market.
- Delivery commenced at the end of June 2011.
- Recent Youth Contract announcements include wage incentives (up to £2275) to employers taking on an unemployed 18-24 year old from the Work Programme

### 1.7 Other activities

**Apprenticeship Grant for Employers** - £1500 wage incentive available to SMEs for taking on their 1<sup>st</sup> Apprentice, aged 16 – 24 (they do not have to be unemployed)

### 1.8 The Skills Funding Agency also tendered out the following ESF funded contracts to facilitate support for:

- Individuals, of all ages, facing redundancy (regional contract led by Barnsley College)
- Ex-offenders (local delivery partner is Future Prospects)

### 1.9 National Careers Service is delivered in York by Babcock Enterprises from Merchant House, Piccadilly.

### 1.10 The Council's employment delivery service Future Prospects also delivers IAG, employability workshops and programmes to support young people back into work, as supported through ESF funded contracts and direct funding from the Council.

### 1.11 YorCity Construction – a targeted training and recruitment model that has been developed in York to encourage broader local engagement during the development stages of sites in the city. The aim is to ensure the maximum can be gained through the construction site in terms of education, training, skills development, recruitment and community involvement particularly for the benefit of local people, businesses and the economy. The project is led by Higher York and City of York Council and co-ordinated by NYBEP. Successful projects already include the Heslington East developments at University of York and City of York Council West Offices.

## 2. Support for 16 – 18 Year Olds

### 2.1 The two key strategic areas of activity for this age group of young people are:

- Raising Participation Age
- Tackling NEET to support 16 – 18 year olds back into education or employment

### 2.2 Raising Participation Age - 16-18 year olds. The Education and Skills Act (2008) places a duty on all young people to participate in education or

training until their 18<sup>th</sup> birthday (or until they achieve a Level 3 qualification). The legislation raises the participation age in two stages, to the end of the academic year in which a young person turns 17 from 2013 and until their 18<sup>th</sup> birthday from 2015. This does not mean young people must stay in school; they will be able to choose one of the following options:

- full-time education, such as school, college or home education
- an Apprenticeship
- full-time work (or volunteering) with part-time education or training alongside

2.3 **Local authorities** have the **statutory responsibility** to secure education and training in their areas for these **young people aged 16-18** (and up to age 25 for young people subject to a learning difficulty assessment), promote the effective participation in education or training of these young people and make arrangements to identify those not participating. **In York – the 14-19 Education Team** lead on this statutory responsibility, working with partners to develop appropriate high quality learning provision through an agreed Local Area Statement of Need and Raising Participation Age Development Plan. The LASN also takes account of Council Plan priorities.

2.4 Provision for NEET is co-ordinated through a NEETs Operational Group that brings together partners who offer targeted programmes for young people with different skills levels, vocational aspirations and personal circumstances.

### 3. Opportunities for Scrutiny Committee to consider

#### 3.1 Key Activity Dates to Note and / or engage with

- **York Jobs Fair – June 19, 10 – 6pm at Hilton Hotel - led by National Careers Service** (James Alexander has provided supportive quote and will be attending at 3pm for a press photo)
- **York Skills Summit – July 9, 9.30am – 2pm, led by Learning City York, includes focus on connecting people to jobs and opportunities** (would welcome a Scrutiny Committee member to attend)
- **Connecting People to Jobs & Opportunities Group (Adults 19+) – facilitated by Learning City**, quarterly meeting dates to be set
- **Employer research into barriers to recruiting young people** and knowledge about duties under the Raising Participation Age legislation – survey monkey being circulated to employer networks mid-June; results & analysis will be available end August / beginning September;

#### 3.2 Areas for Further Discussion & scrutiny:

- Success of recruitment to CYC Business Admin Apprenticeships

- Is there any further capacity within LA to offer work placements for unemployed 18- 24 year olds
- Support development of Sector Based Work Academy for Care Sector – to provide opportunities for young people to gain training, work experience and interview practice
- Request update report from Job Centre Plus and Work Programme Partners re: support for 18-24 year olds
- Consider other local procurement opportunities to influence ‘recruit local’

**Julia Massey | Learning City York | Partnership Manager | City of York Council  
| June 2012**



**City of York YorOK Board  
16 January 2012**

**AGENDA ITEM 8**

**TITLE:** Apprenticeship Developments in York and Programmes Supporting Young People 16-24 into Work

**This item relates to the following:** (please state)

- CYPP Priorities / Outcome/s:
- Performance Indicators:

**1. Summary:**

**1.1 Strategic Context**

1.1.1 Government funding, structures, statutory legislation and systems for supporting young people aged 16-24 cut across different Government Departments<sup>1</sup> and the age boundaries of 16-18 and 19-24. This subsequently impacts on how Local Authorities, in partnership with other stakeholders, deal with priorities and activity at a local level. Details in this report need to be considered within this strategic context.

1.1.2 **Raising Participation Age - 16-18 year olds.** The Education and Skills Act (2008) places a duty on all young people to participate in education or training until their 18<sup>th</sup> birthday (or until they achieve a Level 3 qualification). The legislation raises the participation age in two stages, to the end of the academic year in which a young person turns 17 from 2013 and until their 18<sup>th</sup> birthday from 2015. This does not mean young people must stay in school; they will be able to choose one of the following options:

- full-time education, such as school, college or home education
- an Apprenticeship
- full-time work (or volunteering) with part-time education or training alongside

1.1.3 **Local authorities** have the **statutory responsibility** to secure education and training in their areas for these **young people aged 16-18** (and up to age 25 for young people

<sup>1</sup> Department for Education (DfE); Department for Work and Pensions (DWP); Business, Innovation and Skills (BIS)

subject to a learning difficulty assessment), promote the effective participation in education or training of these young people and make arrangements to identify those not participating.

**1.1.4 In York – the 14-19 Education Team** (John Thompson, Principal Adviser 14-19) lead on this statutory responsibility, working with partners to develop appropriate high quality learning provision through an agreed Local Area Statement of Need (LASN). The LASN also takes account of Council Plan priorities.

**1.1.5 In terms of 19-24 year olds**, Learning City facilitates meetings to bring together key funding agencies (JCP and SFA) with local delivery partners to review Employability and Economic Inclusion priorities and provision for adult residents (19+) who are not in employment. Whilst these meetings have not specifically focused on 19-24 year olds, they have helped to shape and align provision and access funding to support target priority groups and communities e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work (£52k). Where priorities, activity or provision cuts across an age range e.g.: Apprenticeships, LCY provides support to the 14-19 Team to ensure that these artificial age boundaries do not impede the city's place-shaping and economic development role of education beyond 19.

## **1.2 Apprenticeships**

**1.2.1 Whilst Apprenticeship starts for 16-18 year olds** have risen in the last 3 years – participation rates with this age group (8.7%) remain well below both the regional rate (14.1%) and that of neighbouring areas (e.g.: East Riding:15%). Apprenticeship starts and in-learning workforce development for **19-24 year olds** is far higher.

**1.2.2 The employer penetration rate** (October 2011) of 9.5% for new Apprenticeship starts (all ages) and 13.4% of employers with Apprentices (all ages) in training is higher than both the national and Leeds City Region (LCR) averages and the 5<sup>th</sup> highest of the 11 Local Authorities in LCR. In order to meet

the average targets for LCR of 14% of employers recruiting an apprentice and 20% of employers with apprentices in training by 2016, further work will be required in York to build on recent successful campaigns / activity.

### **1.3 Young People 18-24 Unemployed and 16-18 NEET**

1.3.1 In terms of young people aged 18-24 on out-of-work benefits (3.4%) and those aged 16-18 identified as NEET (5.7%), these figures are significantly lower than both regional and national averages and whilst currently stable, they are not shifting downwards.

### **1.4 Autumn Statement 2011 – £940 mn Youth Contract Programme for 16-24 year olds**

1.4.1 **In terms of unemployed 18-24 year olds** - opportunities include job subsidies for employers, incentives to small businesses to take on apprenticeships, work experience placements and career interviews. Much of this will be administered by DWP's Work Programme Prime Contractors. In York these Contractors are G4S and In-Training.

1.4.2 **In terms of 16-18 year olds** – funding over the next two years will support work experience as part of post-16 learning (through contracts already held by providers); and the small business incentives to take on apprenticeships should also benefit this age range.

1.4.3 It is unlikely that these short-term funding pots will have a significant impact for York, by the time 'allocations' are awarded at a local level.

## **2. Main body of the report**

- Apprenticeships in York - Current Performance, Programmes and Initiatives (See Appendix 1- p4)
- York Young People (18-24) on Out-of-Work Benefits; NEET (16-18 year olds) and Raising Participation Age (16-18) – current situation, programmes & initiatives (See Appendix 2 – p7)
- £940m national Youth Contract Programme (support for 18-24 year olds) (see Appendix 3 – p10 )

### 3. Recommendations

- In light of Youth Contract Programme funding announcements and the recent launch of the **National Participation Strategy for 16–24 year olds**, which will continue to cut across different funding structures, Government Departments and age boundaries, the Council would benefit from reviewing how it strategically co-ordinates and aligns developments both internally (across different Directorates) as well as with external partners in order to maximise the benefit for local residents (16-24) and employers.
- The Council will need to continue to work closely with NAS, YPLA, DWP, JCP, SFA, ESF and Prime Contractors to link these new initiatives to local delivery structures, including Future Prospects, Castlegate, Young People’s Services, All Age Careers Service, schools, colleges and training providers to share and improve labour market intelligence and to effectively plan provision, develop joint ways of working and monitor impact across the city.

**Author:** Julia Massey, Learning City York, Partnership Manager (Skills | Employment | Enterprise | Lifelong Learning); [julia.massey@york.gov.uk](mailto:julia.massey@york.gov.uk); M: 07769 640241

**Date:** 16 January 2012

## Appendix 1

### Apprenticeships in York - Current Performance, Programmes and Initiatives

#### 1. Performance

- 1.1 **The number of apprenticeship starts** for all ages reported in York at October 2011 was 1,445, representing a 52.6% increase on figures for 2009/10. This breaks down as 593 starts (41%) for those aged 25+, 555 (38.5%) for 19-24 year olds and 297 (20.5%) for 16-18 year olds. The most

significant rise in starts has been amongst the over-25s, due in part to changes in funding for workforce development.

- 1.2 The number of **16-18 year olds** starting apprenticeships has increased from 270 in 2008/09, to 301 in 2009/10 and 302 in 2010/11. The target for 2011/12 is 320 and the current total is running at 297 (as at the end of October). Success rates are well above national regional averages, however, the participation rate for 16-18 year olds (8.7%) remains well below the regional rate (14.1%) and that of neighbouring areas (East Riding : 15%; Leeds : 9.3%).
- 1.3 The number of **19-24 year olds** starting apprenticeships as at October 2011 was 555 (38% of all starts). Whilst some of these will have supported young people back into work, the majority of these 'starts' will be existing employees benefiting from the employers investment in workforce development in partnership with a Government funded training provider.
- 1.4 The **employer penetration rate** (October 2011) of 9.5% for new Apprenticeship starts (all ages) and 13.4% of employers with apprentices in training (all ages) is higher than both the national and Leeds City Region averages (6% and 9% respectively for starts; 9% and 12.8% for Apprentices in training). York currently has the 5<sup>th</sup> highest penetration rate of the 11 Local Authorities in Leeds City Region. In order to meet the average targets for LCR of 14% of employers recruiting an apprentice and 20% of employers with apprentices in training by 2016, further work will be required in York to build on recent successful campaigns / activity.
- 1.5 In terms of **Apprenticeship providers** - there are currently around 60 different providers that deliver Apprenticeships (to all ages) in York, albeit many only deliver to single figures. In terms of 16-18 year olds, 30% of new starts (90) this year have been delivered by York College.

## 2. Local Developments & Initiatives

- 2.1 **City-wide strategic developments** for 16-19 and adults 19+, are currently planned through the Apprenticeship Starts & Development Group (Chaired by Gary Robinson, 14-19

Team) and includes reps from National Apprenticeship Service (NAS), Young People's Services, Economic Development (Learning City York). Apprenticeships feature in the Local Area Statement of Need for 16-19 provision as a priority under "Learner Choice and Sustainability", as well as the new Economic Strategy, the City Strategy and Learning City Strategy.

- 2.2 **City-wide joint activities** with other partners to deliver strategic priorities, raise awareness and promote apprenticeships to both businesses and learners are currently planned and implemented through the York Based Providers' Group (which also has attendees from non-York based providers). This group is facilitated by the 14-19 Team, supported by Learning City York and reps include York Training Centre (CYC), whose manager has chaired the local provider network meetings for many years.
- 2.3 **The York Apprenticeship Challenge**, led by the Council's 14-19 Team in partnership with NAS, Learning City York, the council's Marketing and Communications Department and 9 providers including CYC's York Training Centre, was delivered from June to September 2011 to raise awareness with employers and generate commitments to Apprenticeships (16-18 and 19+/adults). It resulted in 89 businesses generating 199 apprenticeship 'starts', 57% of which were new vacancies for 16-24 years old and 43% were training opportunities for existing staff.
- 2.4 **The Council's corporate apprenticeship programme**, launched through the York Apprenticeship Challenge, offered 36 Apprenticeship vacancies across a number of different service arms. This builds on a much smaller number of Apprentices recruited in 2009/10 and CYC's York Training Centre, has worked closely with HR on the recruitment of these Council apprentices and is the provider of choice for the training of the 19 business admin apprentices.
- 2.5 **York Apprenticeship Graduation at The Minster** – this new initiative aimed to provide a high profile ceremony, as part of York Business Week (November), to celebrate the

achievements of York residents (of all ages) that had completed an Apprenticeship framework in 2011. Led and co-ordinated by York College, with support from NAS, Economic Development and Nick Eggleton (YBW), sponsorship funding was provided by the College, CYC 14-19, The Guilds and other training providers. Of the 600 'completers', circa 70 attended with their employer and family. It is intended to make this an annual event and embed within an Apprenticeship framework with employers and learners from the start of any new programme.

**2.6 ESF Skills Support for the Unemployed / Apprenticeship Support to SMEs** – For those aged 18-24 claiming JSA / ESA who want to progress to an Apprenticeship within a SME, the provider can draw down a max £2,500 per individual to pass onto the employer to support the individual with their apprenticeship programme. JHP Group hold the contract in York & NY to deliver this programme (May 2011 – end July 2012).

**2.7 Further joint activity planned includes:**

**2.7.1 14-19 Year Old Learner Activity**

- 14-19 Team is working with NAS and the Provider group to develop Advice and Guidance packages on apprenticeship pathways for 14-16 year olds and 16-19 year olds (following successful bid by the 14-19 Team to NAS for funding totalling £13k) to drive up awareness, as well as a specific event to engage with A Level students looking at an alternative progression route to HE and with employers seeking Level 3 Apprentices
- Targeted work with providers on pre-apprenticeship programmes for vulnerable learners e.g. with learning difficulties and disabilities through York Training Centre (CYC) and Blueberry Academy, "Place of Change" re-engagement programme for young people presenting as homeless with York College / CYC Housing Operations Manager
- DfE funded Raising the Participation Age locally led delivery project (£75k) looking at jobs without training and working with employers to convert them to

apprenticeships, developing pre-apprenticeship pathways and raising awareness of the pathway amongst young people, parents and employers

### 2.7.2 19+ Apprenticeships

- Future Prospects is working with JCP on targeted events to raise awareness of Apprenticeship opportunities amongst adults 19+ who are currently seeking to return to employment, for whom 'jobs with training' is an attractive option

### 2.7.3 Employer Related Activity

- Learning City York is working with NAS, the Key Employer Account Management framework, the York Future Workforce Forum, providers **and Leeds City Region** to strengthen employer engagement, build a bank of Apprenticeship Ambassadors, identify job opportunities and facilitate better support to businesses to enable them to engage with Apprenticeship programmes as a vehicle for recruiting to new vacancies.
- Exploring new ways to drive up employer penetration rates for Apprenticeships and breaking down barriers for SMEs in particular. This includes investigating the potential need / demand and feasibility of establishing an Apprenticeship Training Association (ATA) - a distinct entity established to recruit and employ apprentices to hire out to employers in support of sustainable apprenticeships with those employers



## Appendix 2

### York Young People (18-24) on Out-of-Work Benefits NEET (16-18 year olds) and Raising Participation Age (16-18)

#### 1. The Statistics

1.1 In October 2011, there were 3,438 Job Seeker Allowance (JSA) claimants of all ages in York. Whilst the claimant rate has increased as a result of the recession (circa 1700 in October 2007) the claimant rate of 2.5% is well below the national average of 3.8%. The overall figures have remained fairly stable for some months.

1.2 In terms of young people, there were 1,010 JSA claimants **aged 18-24 years** (29% of claimants) and 297 (5.7%) of young people aged **16-18 years** identified as NEET in October 2011. Both these figures are significantly lower than regional and national averages (JSA Claimants 18-24 nationally is 8.0%) and whilst both figures are currently stable neither are shifting downwards.

(Note: NEET is 5.7% compared to 3.7% in 2010. This is mainly due to the changes to the formula based upon residency resulting in a reduction of approx 900 in the overall cohort of young people age 16-18.)

1.3 In October 2011, there were 2352 notified vacancies at Jobcentre Plus (2.2% higher than October 2010). The top 5 notified vacancies were for care assistants; sales reps; sales & retail assistants; postal workers and cleaners. The top 5 sought occupations do **not** include caring and there is excess demand for construction jobs.

#### 2. Support for Unemployed 18-24 year olds

2.1 **In terms of 18-24 year old JSA Claimants** - The Government's welfare reforms have included the introduction of a single universal benefit; the introduction of Getting Britain Working Measures delivered by Jobcentre Plus; and the Work Programme commissioned through DWP.

2.2 All new benefit claimants are assessed by Jobcentre Plus advisers who will ensure that support is personalised to meet the needs of the individual. **The Get Britain Working measures** support this by providing:

- Work Clubs - to encourage people to share skills and experience (Future Prospects run 3 across the city for all ages)
- Work Together - a way of developing skills through volunteering
- Work Experience - to give people practical, recognizable experience
- Enterprise Allowance - to encourage people into self-employment through greater support and financial help (25 people of all ages are currently on this programme in York, supported by York & NY Business Advice Centre, Clifton Moor)
- Enterprise Clubs – peer to peer support and semi-structured workshops for those looking at self-employment and starting-up a business (Future Prospects are running a club with the Change Foundation and Business Advice Centre in the city centre; York College have an ESF supported programme for those aged 50+)
- Service Academies – launched summer 2011 - linking work experience with tailored skills training for employment opportunities in specific sectors (none in York at present)
- Mandatory Work Activity – targeted to those who continually fail to demonstrate acceptable job search activity

2.3 At a specific point in their claim, if individuals have not secured employment they will be referred to the **Work Programme**. The referral will depend on the type of claimant and will be at any point from 3 to 12 months of their claim. Work Programme providers in York are G4S and In-Training. They have been given the freedom to develop support based on customer need and will be paid on results with greater rewards linked with those furthest away from the labour market. Delivery commenced at the end of June 2011. The Council has a direct relationship with the two Primes in York through Future Prospects.

- 2.4 The Skills Funding Agency also tenders out a number of ESF funded contracts to specifically tackle unemployment. See 2.2.6 for programmes to support 18-24 year olds.
- 2.5 The Council's employment delivery service Future Prospects also delivers IAG, employability workshops and programmes to support young people back into work, as supported through ESF funded contracts and direct funding from the Council.
- 2.6 At a strategic level, Learning City facilitates meetings to bring together key funding agencies (JCP and SFA) with local delivery partners to review Employability and Economic Inclusion priorities and provision for adult residents (19+) in the city, as set out within the Learning City Strategy. Whilst these meetings have not specifically focused on 18-24 year olds, they have resulted in writing successful bids to support targeted programmes for priority groups to better connect vulnerable adults to job opportunities e.g.: Job Connect Clifton and working with the GP Health Centre to support adults with mental health issues back into work (£52k).

### **3. Support for NEET (16-18 year olds) – Raising Participation**

**3.1 In terms of current NEET young people (16-18)**, strategic priorities to raise participation are set out within the York Local Area Statement of Need 14-19 (and to age 25 for young people subject to a learning difficulty assessment). Developments are then brought together with partners through the NEET Strategy Group (facilitated by CYC's Young People's Services), which includes reps from 14-19, Learning City York, JCP, Future Prospects, York CVS, training providers, NYBEP, YOT, Care Leavers. There are several programmes of support available to support young people in York, including:

- **Step up to Progress** – a short roll-on, roll-off 15 week Level 1 / Level 2 employability programme, delivered by York College three times a year
- **Late Start Social Science AS Level programmes** – November start at York College

- **Entrepreneur Diploma** – a Level 3 programme at York College that starts November, enabling students to plan, set up and run their own business
- **Accelerate** – a 12 week entry level programme delivered at Askham Bryan College in areas such as Horticulture, Outdoor Sports and Animal Care
- **ESF Starting Fresh** (managed by Your Consortium) – provides access to a Job / Learning Mentor and a menu of training opportunities to support progression into employment, Apprenticeships or full-time education, including specific support for young people with learning difficulties and disabilities. York delivery partners are Future Prospects, Emovere, BSD, York College, and Blueberry Academy.
- **Routes to Success** - Foundation courses leading to level 1 qualifications including 42 young people formerly NEET, delivered at CYC's York Training Centre. These include 2 LLDD programmes involving a range of partners to deliver bespoke programmes.
- **Care Leavers** - Positive relationships being formed between the officer responsible for progression of children leaving care and York Training Centre to ensure that work-ready care leavers are catered for by appropriate programmes.
- **Care Leavers – Springboard** (Big Lottery funding, managed by Foundation) will support new programmes and positive progression for care leavers in York, Selby & Ryedale from April 2012 – December 2015. Steering Group reps and delivery partners include CYC Care Leavers team, Learning City, Network 2 (Young People's Services), York Cares
- **Information, Advice, Guidance (IAG) and Support** - Continuous work by Young People's Services (including the outgoing Connexions Service) in schools, colleges, local communities and from Castlegate providing young people under 16 at risk of NEET and those age 16 -19 (and up to 25 if a Care Leaver or young person with LDD) on the NEET register with IAG and support in relation to employment preparation programmes and apprenticeships.

## Appendix 3

### Autumn Review 2011

#### New Government Announcements to support Young People (16 – 24) and Employers

##### 1. £940mn Youth Contract Programme (support for 18-24 year olds)

- 1.1 The Autumn Statement (November 2011) builds on measures announced earlier in the month by Vince Cable and Nick Clegg of new funding to help address youth unemployment and to help employers gain the skilled workers they need to grow. This will provide opportunities including job subsidies, apprenticeships and work experience placements to 400,000 unemployed younger adults. **Initiatives for 18-24 year olds** will be administered by DWP's Work Programme Prime Contractors. In York these Contractors are G4S and In-Training.
- 1.2 The Youth Contract programme will see wage subsidies worth £2,275 offered to employers to take on **18 to 24 year olds**. It will be available to all young people claiming JSA for at least 9 months and who are on the Work Programme. Participating employers will be expected to pay at least the minimum wage. Anyone rejecting a subsidised job offer will be required to undertake four weeks' mandatory work activity. The programme will begin April 2012 and aim to get young people into a range of employment sectors.
- 1.3 The investment will also fund a further 250,000 work experience places to be provided over the next three years, adding to the 50,000 places announced so far by the Government. The places will be offered to every **18 to 24 year-old** after three months' unemployment, but before they enter the Work Programme.
- 1.4 An improved careers information portal will be created as part of the National Careers Service from April 2012. As part of the Youth Contract, an additional £4.2 million over three years will be provided so that the service can provide careers interviews for **18–24 year olds** who have been on JSA for three months.

## **2. Youth Contract Programme - Apprenticeship Specific (16-24 year olds)**

- 2.1 To encourage small firms that don't currently hire apprentices to take on a young apprentice **aged 16 to 24**, the Government will offer employers with up to 50 employees an incentive payment of up to £1,500. This will support up to 20,000 new Apprenticeships in 2012/13. An initial payment will be made two months after the individual has started their Apprenticeship; the balance will be paid after the Apprenticeship has been completed and the trainee has progressed into sustainable employment.
- 2.2 Processes will be simplified to make it quicker and easier for employers to take on an apprentice. The NAS and training providers will be required to ensure that every employer is in a position to advertise a vacancy within one month of deciding to take on an apprentice. Health and safety requirements will be streamlined so that there are no additional demands on employers that already meet national standards.
- 2.3 There will be a renewed focus on targeting the programme where Apprenticeships deliver greatest value - including on younger adults, new employees, higher level qualifications and particular sectors where they can make the greatest impact.
- 2.4 Apprenticeship providers will be required to offer training in English and Maths up to the standard of a good GCSE (level 2) for all Apprenticeships.
- 2.5 There will be a further opportunity in 2012 for organisations to bid for funding to extend Higher Apprenticeship provision.

## **3. Other key points that impact upon young people (16-19 year olds):**

- 3.1 The Government will invest £4.5 million over the next two years to support work experience as part of post-16 learning (through contracts held by providers with the YPLA);
- 3.2 Work with the Federation of Small Businesses will review regulation impacting on work experience by the end of 2011

and publish a guide to address common misconceptions about work experience.

Note: In York - led by the 14-19 Team – a review of Work Experience for pre and post-16 learners is taking place with schools, colleges, training providers and relevant agencies, in light of both the Wolf review and recent funding announcements.

#### **4. New Participation Strategy for 16-24 year olds**

4.1 In December, the Government will be issuing a Participation Strategy for 16-24 year olds that is intended to align policy and programmes from the 3 departments of DfE, DWP and BIS.

#### **5. Conclusions**

5.1 In light of these new funding announcements and the imminent launch of the **National Participation Strategy for 16–24 year olds**, which will continue to cut across different funding structures, Departments and age boundaries, the Council would benefit from reviewing how it strategically co-ordinates and aligns developments both internally (across different Directorates) as well as with external partners in order to maximise the benefit for local residents (16-24) and employers.

5.2 The Council will need to continue to work closely with NAS, YPLA, JCP, SFA, ESF and Prime Contractors to link these new initiatives to local delivery structures, including Future Prospects, Castlegate, Young People's Services, schools, colleges and training providers to share and improve labour market intelligence and to effectively plan provision, develop joint ways of working and monitor impact across the city.

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## **Graduate access to the job market in York – information for the Scrutiny Committee.**

### **Background**

York benefits from a supply of higher education (HE) graduates from its colleges and universities. Together, the Higher York Partners (namely the University of York, York St John University, York College and Askham Bryan College) play host to over 22,500 students per year. Collectively they produce approximately 8,500 graduates per year.

Anecdotal and statistical evidence tells us that York continues to be home for a significant proportion of students after graduation for example; 70% of York St John University remain in York after graduation and the majority of graduates from Askham Bryan College also take up roles in York and North Yorkshire often supporting not only York's economy, but the wider rural economy. We can also assume that students return to York after studying elsewhere. The percentage of working age (19-64) residents in York qualified to level 4 or above is currently just above the national average at 42.7%<sup>1</sup> so it can be assumed that there are recent graduates amongst these numbers (either those staying on after graduation from one of the York institutions or those returning from study elsewhere).

The economic strategy for York identifies a number of key growth sectors for the City such as: biosciences, creative industries, financial and professional services and tourism/retail/leisure. These map well onto the areas of academic expertise held by the Higher York partners (appendix 1) and one would assume that the 'home grown' supply of graduates could help to develop these sectors through the contribution of higher level skills and to attract inward investment.

### **Graduate Unemployment and Underemployment**

National data regarding employment of recent graduates does not necessarily provide us with an accurate picture for York. However, we know (often anecdotally) that graduates choose to stay or return to York and we know that some remain unemployed and some are underemployed. We can see that if graduates are taking on roles previously taken up by those with lower levels of education that this is potentially having an effect on the rest of the labour market in York.

However, in order to start to make significant progress regarding improved use of graduate talent in York there is an urgent need for further research into:

- Why students stay in, or return to York?
- How many are actually unemployed and available for work (rather than having a year out to travel; unable to work because of a disability etc)?

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<sup>1</sup> 2011 Census 1<sup>st</sup> release

- For those in employment – what types of roles are they doing and for how long?
- Are some graduates using York as a temporary home after graduation before moving elsewhere? <sup>2</sup>
- Are there any trends about the type of graduate (degree subject or otherwise) who are more likely to stay or return?
- Whether graduates are accessing business support/start-up support and what are attitudes about starting a business in York.
- Which graduate start ups are staying in York (and for how long) and which are leaving and why.

### **How are graduates accessing the job market?**

Graduates tend to access jobs independently in the main. Universities and colleges put in place support to empower students through information, guidance, workshops, and access to opportunities (work placements, internships, volunteering).

Information is disseminated through various channels:

- Job fairs and employer events
- Website/s
- Through tutorials
- Bespoke workshops on practical aspects of jobs searching, CV writing etc.

Information includes literature covering such things as (national) graduate schemes, company profiles, lists of job search sites etc.

For some graduates, for example those at York St John University, many courses are aligned to professional roles which have well defined routes (e.g. teacher training, allied health professions). This is also the case for some courses offered by the University of York (e.g. nursing, medicine).

In addition to specialist input to the delivery of higher education programmes the range of Foundation Degrees which are offered (particularly by colleges) have been designed in partnership with employers and businesses. The programmes include the delivery of work related learning modules which prepare students for the world of work. The majority of these programmes encourage employer and business representation in the delivery.

Students and graduates are increasing making use of internships, work placements and volunteering to gain experience, improve their CVs and meet potential employers. These opportunities are also invaluable for businesses/charities/host organisations and gradually more are making use of the talent available in York through these schemes. However, there is still more demand for placements than places available and it would be useful to examine how more SMEs could be involved.

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<sup>2</sup> Some students may have positively chosen to remain in York for the medium to long term. However, some students may be waiting for 'milk round' jobs starting the following September because they missed out on the previous milk round. Others may be waiting for a girlfriend/boyfriend to complete studies. There are a range of other reasons why students may simply be intending to stay for a short time.

### **What is the support available to graduates?**

- The National Careers Service (NCS) have a remit to provide advice and information (on-line and telephone support) for all ages – including graduates. Some face-to-face support could be offered. There are no current direct links with the universities though York College do benefit from this.
- York St John University and The University of York continue to support graduates after graduation through on-line, telephone and face-to-face guidance. Universities rarely refer to other agencies as they have specialist advice and support tailored for their own graduates. Both universities can offer a reciprocal service with other universities. These institutions have also been able to add to their core graduate offer when external funding has been available e.g. Economic Investment Challenge Fund supported 250 recent graduates to access enhanced support.
- Job Centre Plus (JCP) have provided support to graduates and appear to be the main provider of assistance to graduates of other universities/colleges outside the City of York. JCP do also refer graduates back to their own universities. York College works closely with NCS and JCP for example of joint working with JCP is offered through a specific programme designed for recent unemployed graduates and delivered by York College in 2012.
- Regular learning and work sessions at Future Prospects are open to graduates but no specific support offered.
- Private companies provide mentoring and coaching, internship placement services and other support specifically for undergraduates and graduates including for specific subject areas.

### **Potential barriers to employment**

- There are still some employers reporting a lack of skills from applicants but also issues of interpersonal skills/attitude as well as the importance of well qualified graduates being able to differentiate themselves from others (important in a competitive job market).
- More local employers, particularly SMEs need to be open to taking on graduates or providing work experience/internships to undergraduates, postgraduates and graduates.
- Many national graduate schemes ask for high UCAS tariff score as well as a 2:1 or above degree classification.
- In some non-graduate roles, there is so much competition and sometimes less qualified applicants are favoured as graduates are perceived as being too ambitious/over qualified .
- Anecdotally, we can see that some graduates don't wish to leave York for variety of reasons. There needs to be a balance of both realism (ie. currently not enough graduate jobs) and utilising talent within the city (i.e. developing more graduate roles).
- The acquisition of experience is one of the defining factors to success. More opportunities to get this experience is as crucial as getting the 'right' advice. Examples of useful experience include volunteering, internships/ placements, institutional programmes such as the York Award, part-time jobs.

### **Enterprise and business support**

- At the universities this is well covered through dedicated support in business development teams and access to business incubation units.

- Specifically, the University of York are currently running an UnLtd project for social enterprise.
- Both universities access the Proof of Concept fund, and also tap into Alumni support.
- More generic signposting information from across the city including resource such as [yorkmeansbusiness.co.uk](http://yorkmeansbusiness.co.uk) and the contacts for incubation space, business support, business networks could perhaps be sent to all graduates when they graduate.
- Some start-ups, particularly in the technology field are possibly more likely to move away from York. Others in retail or creative areas are possibly more likely to stay.

### **Good practice - what sort of support and schemes seem to work well?**

- Working at sector / programme level so that advice and support is tailored to specific industries - rather than offering generic advice.
- Combining incubation space with access to on-site business support.
- Early intervention and intensive support whilst on-course. The University of York have an on-line Employability tutorial which results in an employment plan. This was only introduced in 2011 so no results are yet known.
- Internships, work placements and volunteering allow students to begin thinking about their career plans as well as demonstrating value of graduate skills to the workplace.
- Providing specific advice – e.g. at The University of York, advisors offered a ‘webcasting’ service where graduates email their CV and this is annotated by an advisor.
- Information tailored to initiatives such as national / local graduate schemes, internships and work placements.
- Specific interventions for graduates who are un / under-employed. Both universities are running short term internship schemes from January 2013.
- Working closely with local businesses and key employers such as the joint development and delivery of the Foundation Degree in Health Service Management, a partnership between York College and the York NHS Hospital Trust.
- Example from outside York for example; ‘Unlocking Cornish Potential’ – supporting business growth with knowledge transfer (via graduate internships opportunities); also links to graduate start-up advice and support (heavily subsidised).

### **Summary**

We know that graduates are staying on in, or return to York and that some remain unemployed and increasingly others are underemployed. There are a range of support agencies and information available to graduates including about business start up. For the future it would be important that York is able to:

- Understand the issues in much more detail through further research.
- Encourage inward investment of businesses providing high quality opportunities for graduates. The graduate talent pool needs to be one of the key benefits highlighted to investors in York.
- Work with local businesses and other organisations to increase the take up of interns and similar opportunities.

- Continue to provide graduates with information about where and how support is available.
- Increase, where funding permits, the one-to-one support, assessments and workshops for graduates seeking employment.
- Continue to facilitate networking and joint support between organisations/agencies which provide support for those looking for employment.

**For further information please contact the Jessica Grant or Claire Newhouse on 01904 876350 or [contactus@higheryork.org](mailto:contactus@higheryork.org)**

**Appendix 1:****Askham Bryan Higher Education provision**

Animal Management  
Veterinary Nursing  
Agriculture and Land Management  
Arboriculture and Forestry  
Countryside and Environment  
Equine Management / Equine Studies  
Horticulture Landscaping, Garden Management and Sportsturf  
Teacher Training

**The University of York departments**

Archaeology  
Biology  
Chemistry  
Computer Science  
Economics & related studies  
Education  
Electronics  
English & related literature  
Health Sciences  
History  
History of Art  
Languages and Linguistic Science  
Law  
Mathematics  
Medical  
Music  
Philosophy  
Physics  
Politics  
Psychology  
Social Policy & Social Work  
Sociology  
Theatre, Film & Television

**York College Higher Education subject areas**

Business & Professional Studies  
Child Studies  
Construction  
Education and Training  
Engineering  
Fine Art, Design & Crafts  
Beauty & Holistic Therapy  
Healthcare  
IT & Computing  
Science  
Sport  
Public Services

**York St John University Faculties**

Arts

Business School

Education and Theology

Health and Life Sciences

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**Reply by Chris James on October 17, 2012 at 23:37**

Delete It has always been our aspiration at IY to be able to offer real, short-term paid placements, work experiences and Apprenticeships to the young people who come through our programmes. This would give them 'CV Gold' and a platform from which to build. These are young people with significant talent, will and competences but often face significant barriers to employment. We currently have our IY Ambassadors group and our Bright Sparks Youth Board which allows us to offer a creative progression route once a project is finished, however, in this climate, these are not paid roles. Perhaps Apprenticeships or placements could be shared and costs split between small 3rd sector orgs and a private sector sponsor? Or more than the minimal tax breaks against the cost of an Apprenticeship. The city as a whole should invest in its young people - and not just the young people who excel academically but those who express their intelligence in different ways.

Check out what our IY Ambassadors get up to by following their BLOG!

<http://iyablog.wordpress.com/>

**Reply by Maggie Geraghty on October 20, 2012 at 8:59**

I run a training company based in York, called GAP Training Limited. We currently have funding to help unemployed people find work through the creation of Apprenticeships. The message is not getting through - either young people or businesses - that Apprenticeships are a real alternative to going to college or university and avoids the problem of building up debt with tuition fees and student loans etc. Apprenticeships allow individuals to 'earn as they learn' and are available in a variety of subject areas, including Business, Retail, Logistics and Customer Service, to name but a few.

Employers with less than 1000 employees can also benefit from generous grants to help them take on Apprentices.

If City of York Council took on even one Apprentice in every department - how many 18 - 24 year olds could this support? If the council could act as a 'hub organisation' to draw together employers, prospective

Apprentices and local training providers to a one -day event, this would ensure there was a clear picture of what really is on offer in the City.

Maggie Geraghty

Director, GAP Training Ltd

Tel. 01904 424730

**Reply by Alyson Christy on November 2, 2012 at 12:17**

Delete Supported volunteering and mentoring to enable young people to reach out to develop their own personal interests is one way forward into work.

Reaching Out, funded by The Big Lottery and based at The Children's Society's PACT Project here in York, has been building bridges to enable disabled young people (aged 16 - 25), to participate in meaningful and enjoyable activities as part of an inclusive work force.

Over the last 3 years 85 disabled young people, supported by 36 volunteers, have contributed over 4800 hours to community volunteering with 79 organisations in York. The brilliant news is that 41 of these young people are continuing to volunteer and 11 are in paid work as a result of their personalised volunteering experiences. All have gained confidence, new skills and new friends who involve them in the local community.

Take a look at <http://www.childrenssociety.org.uk/reaching-out> for more information and also the attached Out in Front newsletter for young people.

We have produced two DVDs with young people so that they and the support volunteers and organisations can tell others about their own experiences of the barriers and benefits of volunteering. We are using these resources in workshops with local voluntary groups - then supporting them to set and meet their own Reaching Out Challenges for inclusive supported volunteering.

There is an ongoing need for person centred interventions.

A new strand of our work is extending the Reaching Out model through a local partnership with JobCentrePlus. WorkAspire is designed to support young disabled people to identify their own skills and, with the help of a support worker, find relevant volunteering and longer term work opportunities.

How best can we share this work and learning with others?

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## Economic and City Development Overview and Scrutiny Committee

26 March 2013

### Report of the Director of City & Environmental Services

#### 2012/13 Finance and Performance Monitor 3 Report

##### Summary

1. This report provides details of the 2012/13 latest position for both finance and performance in City & Environmental Services (excluding Highways, Waste and Fleet), Economic Development and Housing Services.

##### Analysis

##### Finance – forecast outturn overview General Fund

2. The current financial position within the City & Environmental Services Directorate (excluding Highways, Waste & Fleet) shows a projected underspend of £237k on a total net budget of £3,908k, a reduction of £174k on the Monitor 2 underspend of £411k, mainly due to flooding events during the autumn. Economic Development has a budget of £1,044k and is expected to underspend by £56k. The Housing General Fund has a budget of £-157k and is expected to overspend by £144k. Service Plan Variations by service plan are shown below:

	Net Budget £'000	Projected Outturn £'000	Variance £'000
<b>City &amp; Environmental Services</b>			
Strategic Planning & Transport	2,748	2,531	-217
City Development & Sustainability	467	517	+50
Director's Group	693	663	-30
Flooding	0	210	+210
Mitigation	0	-250	-250
<b>Total</b>	<b>3,908</b>	<b>3,671</b>	<b>-237</b>
<b>Economic Development</b>	1,044	988	-56
<b>Housing Services (Gen Fund)</b>	-157	-13	+144

Note: '+' indicates an increase in expenditure or shortfall in income  
'-' indicates a reduction in expenditure or increase in income

3. Details of the main variations by service plan are detailed in the following paragraphs.

#### Strategic Planning and Transport (£-217k)

4. Car Parking income is forecast to be £245k below budget which is made up of £20k short stay, £219k standard stay, £34k on-street and £28k surplus on Respark and season tickets. The shortfall is partly a result of bad weather during the summer, the continued effect of the economic downturn and the temporary closure of Haymarket car park due to archaeological works and autumn flooding.
5. There is expected to be £90k saving from reduced use of taxi cards, bus services and Dial & Ride, an underspend of £77k on employee costs within School Crossing Patrols, Drainage and Network Management where a number of posts are unfilled, and £75k miscellaneous underspends. A further saving of £220k has been made on the bus service review to offset overspend elsewhere within the council.

#### Planning and Sustainable Development (£+50k)

6. The economic downturn has continued to have a significant impact income within the Planning Service. Income from building control is projected to be £190k below budget but offset by £110k staff savings. Income from local searches is expected to be £73k below budget due to low activity in the housing market, also offset by £41k staff savings. Underspends on supplies & services are expected to result in additional savings of £62k.

#### Director's Group (£-30k)

7. An underspend on the Apprentice budget (£-32k) is offset by £2k other costs.

#### Flooding (£+210k)

8. The costs of the recent floods for this directorate have not yet been fully quantified but current forecast is additional expenditure of £210k. All authorities can make a reimbursement claim to

government under the Bellwin scheme once eligible expenditure exceeds their specific threshold - for York this is set at £442k – so there will be no financial assistance without more serious flooding.

Mitigation (£-250k)

9. The council's contribution to highways works outside the Minster can be funded from the capital programme budget, resulting in the release of £-250k from an earmarked reserve.

Economic Development (£-56k)

10. There is forecast to be £-56k additional income from Newgate and speciality markets following the demolition of Parliament Street toilets.

Housing Services (£+144k)

11. The review of the Housing Services General Fund budgets indicates at monitor 3 that the service will be £144k over budget. This is due to the building maintenance account being unable to meet its budgeted surplus of £160k and an allocation of cross directorate savings of £175k that is the housing and community safety share of cross-directorate savings, offset by £191k miscellaneous staff savings, additional income and other savings. The Community and Neighbourhoods Management Team are considering mitigation plans that will bring expenditure into line with budget.

Finance Housing Revenue Account (HRA) - Non General Fund account

12. The current working balance on the HRA is £11,880k and the estimated variance against this is an underspend of £246k, which is due to number of variations across the service, including a number of staff vacancies and increased income from Registered Social Landlords.
13. Following the HRA Self Financing Review, in March 2012 Cabinet agreed a 5 year financial plan. Work is ongoing to develop the full HRA Business Plan which will set out details of priorities for the future, including opportunities for using a HRA development fund to support delivery of new council housing.

- Options that are being considered as part of the Get York Building programme range from commissioning and building new council homes, to utilisation of the HRA to establish joint ventures / Special Purpose Vehicles to work in partnership with private developers to bring forward development of new affordable homes.

Performance – Monitor 3 Overview

Priority: Get York moving

*Rail:*

- The Leader and Chief Executive, with representatives of other East Coast mainline (ECML) local authorities, met the Minister of State for Transport on 11th December to press the business case for further investment to improve ECML capacity, reliability and connectivity.
- Network Rail announced in January investment proposals of £1 billion in new infrastructure and a further £3 billion on operating, renewing and maintaining existing infrastructure on the London North East (LNE) Route from London to Scotland through Yorkshire. York's new Route Operating Centre (ROC), which is expected to employ 475 people and be completed in March 2013, will be central to an overhaul of signalling on the LNE route. York will benefit through jobs being relocated to the city. The proposals also include £179 million on the electrification of TransPennine routes, as well as electrifying the line between Selby and Micklefield to join up with the East Coast Mainline. A further £240 million is to be spent on addressing key bottlenecks on the East Coast Mainline.

*Cycling and Walking:*

- The announcement of Day 2 of Le Tour de France starting from York provides significant opportunity for boosting York's already strong cycling culture. The Chief Executive has been appointed senior legacy lead for the region and York will use the event to increase interest and participation in cycling.
- Phase 1 of the Clifton Moor cycle and pedestrian improvements between Hurricane Way and Stirling Road is planned to be completed by the end of March. The scheme to develop an outer connecting cycling route in Haxby and Clifton Moor will be delayed, but is still within the Local Sustainability Transport Fund (LSTF) timescales.



*Traffic:*

19. Access York Phase 1 is progressing, with a new bus planned for Boroughbridge Road. This will enable buses and taxis quicker access into the City Centre and will support the new Park and Ride at Poppleton. Negotiations are ongoing on bus operator procurement and a proposal will be confirmed before a submission for final approval to the DfT in January.
20. The final report on the business case for the freight consolidation centre was received in December 2012 and is currently being reviewed. The next stage will be to undertake a feasibility study to be completed by June 2013, with delivery anticipated in March 2014.
21. Footstreet hours are to be extended by an additional 10½ hours per week. This is an 'experimental traffic regulation order' of up to 18 months and would see the pedestrianised zones enforced from 10.30am - 5:00pm every day in order to encourage visitors and residents to stay in the city centre longer and to support the night time economy.
22. Work is underway to reduce through traffic in the city centre. With options being developed for February 2013 to outline modelling results and proposals for taking the scheme forward. As part of the street clutter rationalisation, the first batch of bollards has been removed from the city centre.
23. The business travel planning network was launched in December 2012 with a travel planning conference and contact has been established with 80 businesses. Bids have been received from these businesses for match funding, enquiries received for more information on sustainable travel initiatives and enquires from more businesses to join the network.

*Bus Travel:*

24. The number of bus journeys originating in the authority area (excluding P&R) are down on the same point last year, but are provisional and subject to change. This continues a trend for declining numbers from the previous year. In contrast the number of journeys on Park & Ride services are 11% up on last year. All data is provisional until validated in May 2013.
25. The Cabinet Member for Transport agreed to the re-tendering of services on several routes in January. It was also agreed to work with First Group, Coastliner and other York bus operators to

increase the number of people using bus services and to deliver reliability improvements across their services.

26. The next stage in refreshing the Quality Bus Partnership (QBP) and Network review is underway but will roll over into 2013/14 due to reductions in funding in 2012/13, with a likely completion date of December 2014. An overhaul of bus information is underway, including audio-visual displays and Braille and is on track for delivering in March 2013.

Priority: Protect the environment

*Climate Change*

27. Setting up the Green Deal has been delayed due to the decision being referred to LCR Green Economics Panel for scrutiny. Whilst this isn't expected to cause long term problems, other dependant activities have consequently also been delayed. The LCR model remains the most developed option for York, and may result in 615 – 1,230 homes being offered a Green Deal in the first three years of the scheme through a preferred LCR Green Deal Provider.
28. Working closely with partners, the council has successfully secured three streams of DECC funding:
  - £123,000 government funding to trial installing insulation for solid walls. This will test key elements of the new Green Deal framework.
  - £447,000 to install heating systems and insulation in the homes of vulnerable residents in York and N. Yorkshire who are struggling with rising energy bills
  - £300,000 to pilot six community energy collective switching schemes in the region (including one pilot for York). The pilot will set up a club to encourage residents to work together to switch energy suppliers and find a better energy tariff.
29. To help reduce the council's carbon footprint and costs, a new council-wide Pool Car scheme has been launched and CYC is on target to deliver the Carbon Management Programme target of 25% reduction in emissions by end March 2013. The Green Audit has been completed with projects identified to deliver up to 445t CO<sub>2</sub> of savings. Work is now underway looking at feasibility for these projects.
30. CERT funding has been extended until February 2013 and the council has worked hard with the Yorkshire Energy Partnership to ensure that York Residents can take full advantage of the available

funding. The scheme (Wrapping up York) is being promoted by the Yorkshire Energy Partnership and York private sector householders have received 1205 measures. This equates to more than £341k worth of funding which has been drawn down. Nearly 1100 customers have made referrals following an advert in Your Voice in November 2012. It is anticipated that as a result a further 700 measures will be installed in to customers' homes.

31. Work to create an eco-district at British Sugar including more affordable housing has now been recommenced by the applicant. Workshops were held early November to create timetables for application/development.

#### *Natural and Built Environment*

32. The completion of 124 new student homes on brownfield sites on Hull Road in September has had a significant positive effect on both the net additional homes and the proportion on previously developed land (76% vs. 69% last year).
33. The Strategic Flood Risk Assessment (SFRA) is being updated and work is ongoing on the Land Flood Risk Strategy. As part of our emergency flood response, teams worked collaboratively around the clock to keep York open for business, including sandbagging and pumping rising flood waters away from homes. In December Cabinet approved the Surface Water Management Plan, funding investigations helping to understand surface water issues and to carry out essential repairs and maintenance on a scheduled basis.

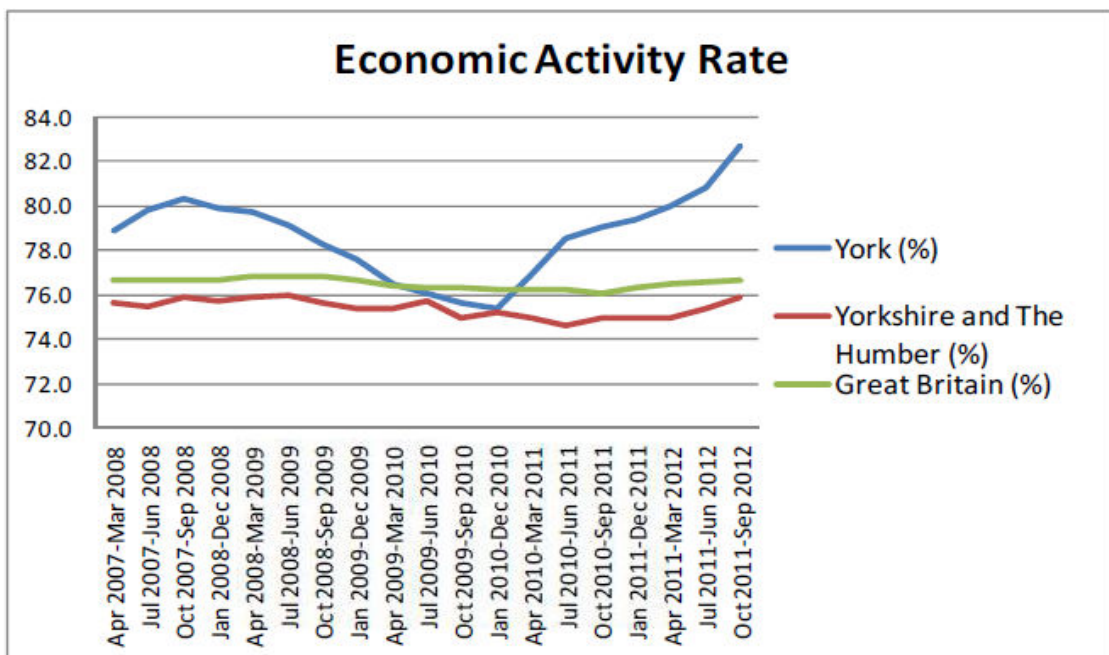
#### *Air Quality*

34. The Low Emission Strategy (LES) was agreed by Cabinet October 2012. This is a package of additional measures to help reduce emissions to air, based on using low emission fuels and technologies. Its main focus will be to transform York into a nationally acclaimed low emission city and the Air Quality Action Plan to deliver the changes is now underway, alongside a marketing strategy.
35. York has made a successful bid to DEFRA for a grant to tackle air pollution. York will receive £94,490 to put towards the implementation of Low Emission Strategy measures and £54,490 for assessing the impact of these and other transport measures. The funding will be used to raise awareness of the health impact of air pollution and promote the use of low-emission vehicles and taxis, to residents.

36. The development of an electric vehicle recharging network is progressing with the Council set to order two trial cars in January. Electric vehicle (EV) charging points are being rolled out at the new Park and Ride sites and various locations through the planning process. Charging points are also being installed at Council car parks and existing Park and Ride sites. This will give York the first three phase AC charging Pay-As-You-Go network in the country.

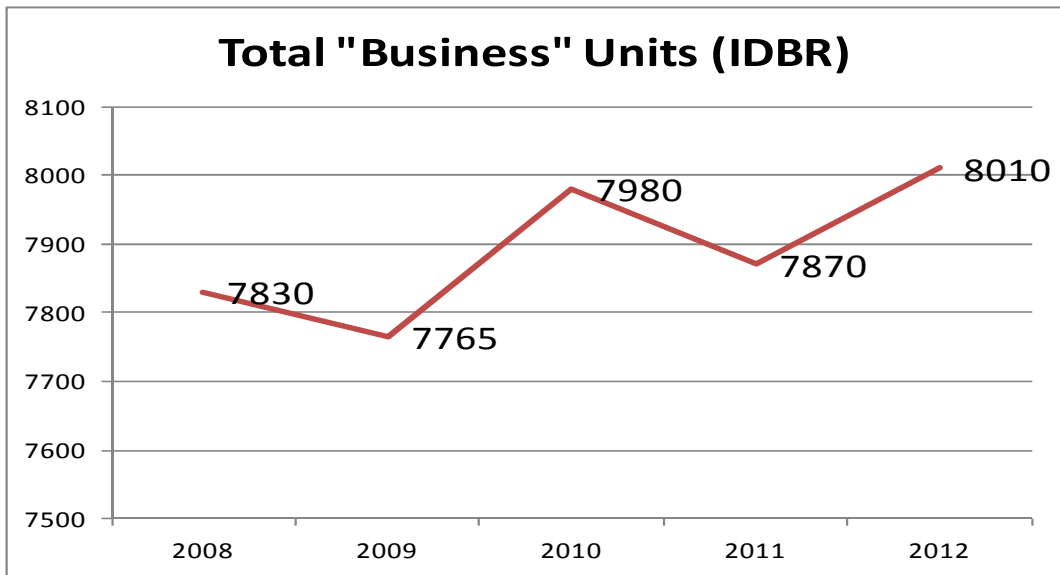
Priority: Create jobs and grow the economy

37. This is a priority for the council and is core to ensuring the sustained prosperity of the city and the financial security of the authority. The national economic picture is still a fragile one, with the International Monetary Fund cutting the UK growth forecasts for the near future. However, even with a relatively bleak national backdrop, York's economy continues to perform extremely well against the regional and national picture, with stronger than average employment, wage and business growth. York does still have some challenges around the lower paid, part-time employment levels and productivity (GVA) per head and these areas will be the focus of some coordinated work over the coming months to support those most at risk of financial hardship and in-work poverty.
38. The city's economic activity rate illustrates the overall economic picture for the city, performing well in comparison to the regional and national picture.

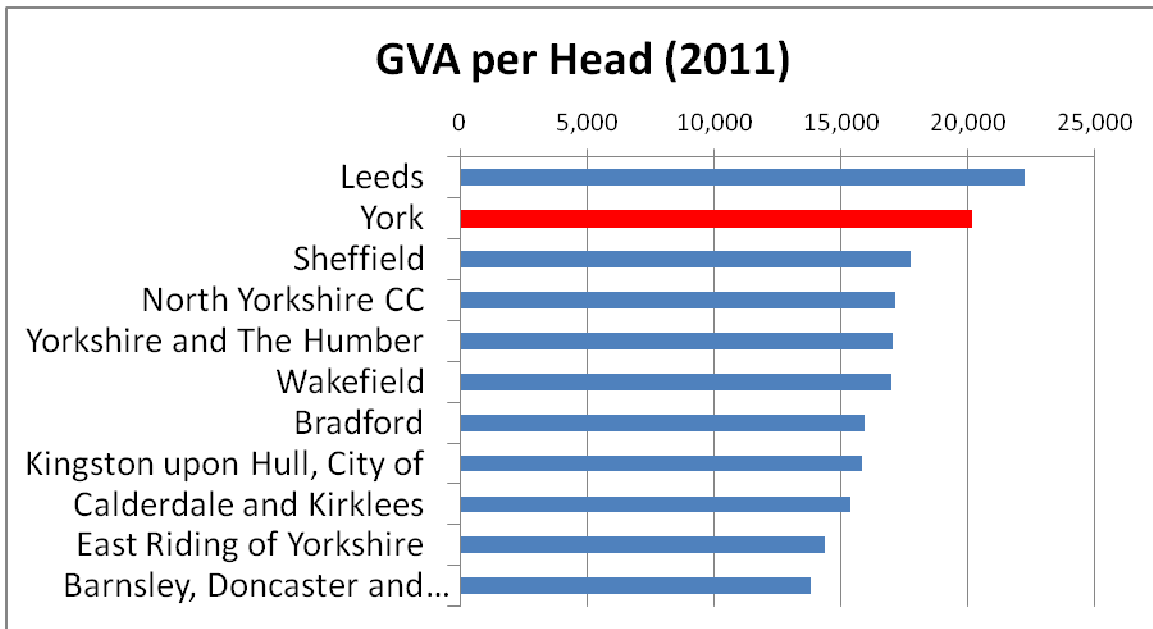


39. The recent release of the 2012 Business Units Data (ONS) is also showing positive signs for York. The city has seen an increase in

local Business Units from 7,870 in 2011 to 8,010 in 2012. The ONS Business Demography data also shows an improvement on Business Survival Rates in York, performing better than the regional and national averages.



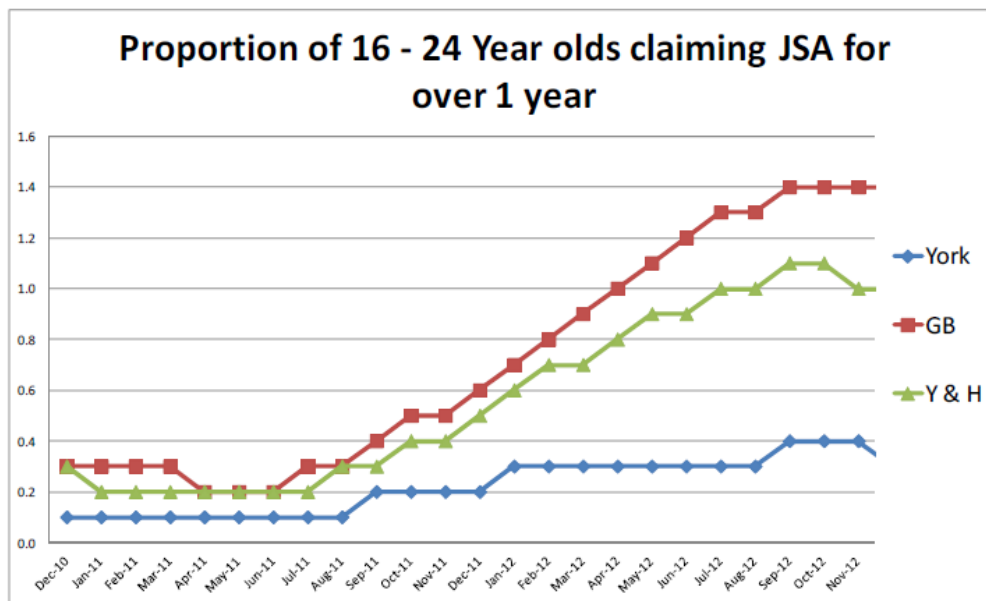
40. The latest productivity (GVA) data per head indicates York's residents have the second highest GVA per head in the region (after Leeds), and well above the regional value.



41. In employment terms, York's economy continues to perform well. Latest figures show that York's unemployment rate was 2.1% in December (JSA claimants) whilst national & regional rates are at much higher levels (3.7% and 4.7% respectively). This represents a continuation of the trend over the last two years of York positively increasing the gap between our local unemployment rate and the

regional/national rate. York's percentage of its population on JSA is now on a downward trend and is the lowest number in four years.

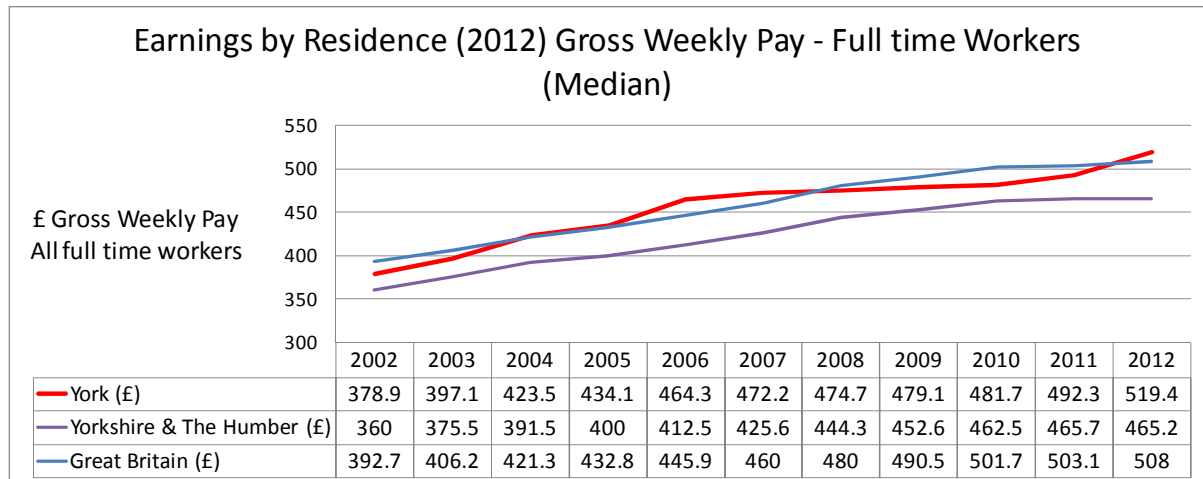
42. Whilst youth unemployment still remains a challenge, long term youth unemployment (16-24 year-olds) has now levelled off locally and has remained stable at 0.4% from September, and has fallen to 0.3% in December – well below the national & regional figures (currently 1.0% and 1.4%). However these are the highest rates the local authority has seen in recent times and work is ongoing to address this.



43. Housing availability continues to be a challenge for York but the Get York Building Programme is strengthening and positive effects are starting to be seen. In the six months to September 2012 there have been 295 net housing completions and based on information from developers and landowners we estimate that net completions for the whole of the 2012/13 financial year will be in the region of 450-500 completions.
44. However, despite this positive activity, the target to increase the number of affordable homes by 126 is not predicted to be met in year (current forecast 102). Work continues to move on development sites (such as Hungate) in the present challenging market conditions.
45. For the first time since 2007, average earnings for full time workers resident in York have risen above the national average and the gap between York and the region has also increased since 2011. Average earnings for those working in jobs in York have also increased and York now sits second highest in the region for

workplace pay, an improvement since 2011 which shows significant progress in this area.

46. However, some clear challenges are emerging with regard to part-time pay rates and wage levels for the lowest paid full time workers – a redefined programme of work is being developed to address these issues and ensure that all York residents benefit from the economic prosperity of the city.



47. In terms of city centre shop vacancies, the shift seen over Q3 is small, but is still a month-on-month reduction over the three months to December. The percentage of vacant city centre shops now stands at 6.11% (as at 1/1/2013). The percentage of vacant shops at the top of the economic cycle in the city centre sat between 5-6%.
48. Footfall in the city centre through Q3 has weakened, with the average year to date in December 2012 being down by 5.6%, this compares to other Historic Towns and Cities down by 4.6% and All Towns and Cities down by 3.4%. Footfall is also down by 7% at the Visitor Information Centre, and the major tourist attractions. This is also reflected in a decrease in car parking transactions and Coach Parking. Bus journeys originating within the area are down by 11% between April and October 2012 compared to the same time period in 2011.
49. The recent set of economic figures released by the Centre for Cities, reinforces that York's strong position nationally, with top ten performance in 9 of the indicators, improvements in performance in 11 indicators (since 2012). The report also confirms the city's challenges around increasing housing supply and business start-ups, highlighting why the York Economic Strategy and Get York Building programme are so important to the city's development in the coming months and years.

50. The York Economic Strategy is finalised and a delivery plan is now being taken forward to achieve its objectives and Q3 has seen good progress, including:
- Holding York's second annual business conference
  - Secured a deal with Hiscox to bring 300-500 jobs to the city.
  - Leeds Bradford to Heathrow connection established
  - Commitment made to investing c. £3.5m through Reinvigorate York programme to provide a city centre fit for business
  - Achieved funding for enhanced broadband coverage and wifi through the Super Connected Cities bid and development of the York Core network with City Fibre Holdings
  - Delivered clear proposals for the expansion of Park and Ride
  - Investment agreed in principle for Newgate Market which will improve the offer and potentially enable the development of evening markets
  - Development and agreement of financial inclusion strategy
  - Jobs Fair, attracting 1500 attendees.
51. Working in partnership with other organisations in the region and led by Welcome to Yorkshire, York had a significant role in securing Le Grand Départ of the Tour de France 2014 for Yorkshire. It has now been confirmed that York will host the start of Day 2. The Tour de France has an estimated global audience of 3.5 billion and economic benefit for the region is estimated at £100m and will bring significant benefits to the York economy in 2014

Priority: Build Strong Communities

*Housing*

52. The number of people sleeping rough in York (as recorded on one night in December) has increased significantly from last year's figure of 2 to 8. This increase is in line with the national trends in homelessness: national homeless charities advise that the number of people sleeping rough in England has increased, underlining fears that spending cuts and recession are driving up levels of homelessness.
53. The number of homeless households living in temporary accommodation is also increasing (109 vs. 99 last quarter), also reflecting national trends in the current challenging economic climate. A refresh of the Homeless Strategy is underway to tackle issues presented by homelessness and the No Second Night Out



pilot is up and running with the primary accommodation providers offering emergency beds to rough sleepers.

54. There are also challenges relating to rent arrears for current tenants (up to 2.98% compared to 2.1% for the same period last year) and the percentage of tenants evicted due to arrears has also been increasing (25 evictions compared to 12).
55. To help mitigate the impact of welfare reform two new Money and Employment Advisors have recently been appointed. Their priority will be to visit customers affected by the bedroom tax being introduced April 2013. The Advisors will also help customers prepare for Universal Credit alongside CAB who are offering debt and benefit outreach services.

### **Council Plan**

56. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan

### **Implications**

57. There are no financial, human resources, equalities, legal, crime & disorder, information technology, property or other implications associated with this report.

### **Risk Management**

58. The report provides Members with updates on finance and service performance and therefore there are no significant risks in the content of the report.

### **Recommendations**

59. As this report is for information only, there are no recommendations.

Reason: To update the scrutiny committee of the latest finance and performance position.

**Contact Details**

**Authors:**

Patrick Looker  
City Strategy Finance Manager  
(01904) 551633

Sharon Brown  
Performance and Service Improvement  
Manager  
(01904) 554362

**Chief Officer responsible for the report:**

Ian Floyd  
Director of Customer and Business  
Support Services  
(01904) 551100

**Report Approved**



**Date** 14.03.2013

**Specialist Implications Officer(s)** None

**Wards Affected:** *List wards or tick box to indicate all* **All**

✓



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## **Economic & City Development Overview & Scrutiny 26 March 2013 Committee**

Report of the Assistant Director of City Development and Sustainability

### **Six Monthly Update Report on Major Development Schemes in York**

#### **Summary**

1. This report provides Members with an overview and update in relation to the major development and planning proposals in the city at this time.

#### **The Development Sites:**

2. **Monks Cross South – retail**

*Major retail development to “enable” the Community Stadium development*

- Issues with Great Crested Newts have resulted in a delay of the overall scheme. Now there is an anticipated start of late March / early April 2013.

3. **Monks Cross South – stadium**

*Outline application for new Community Stadium for the city*

- Planning Committee resolved to approve March 2012. Referred to Secretary of State and S106 legal agreement produced. Planning approval decision notice issued 5 July 2012.
- EU procurement process for the design build operation and maintenance of the stadium and the ongoing operation of the Council's leisure facilities is underway. The next key stage of the procurement is due to commence in late March 2013.

4. **Monks Cross North – the existing retail park**

*Earlier applications for more retail floorspace and flexibility to have both larger and smaller retail units if required (vary conditions) refused March 2012.*

- Applicants considering new application for reduced amount of new floorspace (restricted to internal mezzanines only) and sub-division of only one existing retail unit. Retail Impact Assessment required findings may determine form / content / nature of any application.

5. **Hungate**

*A major city centre, business, leisure and residential quarter including a community focal building.*

- Phase 1 (all residential) now completed, and most houses and flats have been sold.
- Phase 2 (mixed residential and retail) has already obtained “reserved matters” planning approval.
- Extension of time (for build out period) approved November 2012.
- Applicant undertaking viability assessment of phase 2 of the scheme but have expressed concern about the number/ floorspace of the ground floor retail units in this phase consider may be case to replace with more residential units.

6. **Germany Beck**

*Development of family housing*

- Outline planning permission granted by the Secretary of State, with details of access arrangements from A19 also approved.
- Revised plans submitted for “reserved matters” application late February 2012.
- Request to English Heritage to designate land as a battlefield. Request turned down and decision now subject to Judicial Review request (the High Court).
- Anticipate planning applications to come to Planning Committee in April 2013.

7. **Derwenthorpe**

*Development of family housing, with high quality sustainable dwellings.*

- Outline planning permission granted by the Secretary of State, with details of 1st phase approved by the Council.
- First phase approved and constructed, many house occupied.

- Approval granted for details of remaining phases. Most recent application for phases 3+4 approved by Planning Committee November 2012.

8. **York Central**

*Mixed use regeneration scheme*

- CYC Officers are working with Network Rail on a masterplan led study for the site, looking particularly at early deliverable projects.
- Network Rail – Rail Operations and Training centre under construction
- Work is ongoing in terms of funding options and the evolving conversation with BIS and central government generally, as well as LEP and BIS local based funding.
- Work to establish a preferred A59 access is also ongoing, linked to the potential disposal of land at Holgate Business Park to Network Rail.
- The National Railway Museum is also commencing masterplanning work for their assets within the site.

9. **Castle – Piccadilly**

*A major extension to York's retail core and creation of new world-class civic space around the Eye of York.*

- Landowners have been reviewing position re scheme viability and required investor funding. CYC officers have maintained contact with agents throughout this lengthy period of time.
- From recent conversation with agents it is anticipated that formal pre-application discussion process will commence during March 2013.

10. **University of York – Heslington East**

*Expansion and the enlargement of the University of York on a greenfield site to the east of Heslington village.*

- Cluster 1 completed including both new student residential accommodation and academic buildings, which are now in use.
- Cluster 2 planning approvals for development on cluster 2 including: (a) new energy centre (combined heat and power for old and new campus), (b) new social and catering facility building. New hall of residence "Langwith Collage" 650 bed now occupied

- New swimming pool and sports facilities at the eastern end of the Heslington East campus now open.
- Application for athletics track and cycle track was approved by Planning Committee in September 2012, construction commenced and anticipated opening in May 2013.
- Cluster 2 “College 9” new student residential accommodation, for 620 beds, approved Planning Committee 21 February 2013.

11. **Terry’s**

*Mixed use scheme for primarily employment and residential with re-use of Listed Buildings and new development*

- Lowering of affordable housing requirement (to 25%) approved at Planning Committee 25 October 2012.
- Site being marketed, for sale. CYC officers in regular contact with selling agent.
- Following marketing process the site is now being sold. Anticipate announcement on new owner early April.
- CYC officers will work with new owners / developers to bring forward the development and re-use of this site and buildings.

12. **Nestlé South**

*Delivery of a major new residential and business quarter to regenerate former factory buildings and support Nestlé’s ongoing role in the city*

- Planning Committee resolve to approve, December 2010. Section 106 Agreement to be signed.
- Developer launch at Royal York Hotel 6th July 2011.
- Re-marketed during 2012.
- Agents working with potential developers to bring forward development in accordance with the approved scheme, although some commercial elements of the scheme are likely to come under pressure.

13. **British Sugar**

*Major housing led regeneration scheme.*

- Comprehensive consultation on SPD December 2010 to February 2011. Report back, revisions and approval March 2012.

- The landowner Associated British Foods have assembled a masterplanning team – including architects and transport specialists.
- CYC Officer project team continue to work collaboratively with applicant and agents towards submission of planning applications by autumn 2013

14. **North Selby Mine**

*Proposal for horticultural use with on site renewable energy (anaerobic digestion)*

- Original draft proposal for Science City York education and sustainability research facility associated with the proposed commercial energy from waste element of the scheme including a “plasma gasification” plant and anaerobic digestion facility.” Plasma Gasification proposal now not being pursued and Science City York withdrawn from the project.
- Enforcement Notice issued to seek removal of unused buildings on the site. This is now the subject of an appeal, which is being held in abeyance pending the formulation of proposals for alternative use for the site.
- Application subject of consultation. Anticipate the proposal will come to Planning Committee in April 2013.

**Consultation**

Not applicable as this report is for information only.

**Options**

Not applicable as this report is for information only.

**Analysis**

Not applicable as this report is for information only.

**Council Plan**

15. The facilitation of the development of these major sites accords with the Council’s priorities relating through support for creating jobs and growing the economy and protect the environment, which is allowed to grow whilst maintaining York’s special qualities.

**Implications**

- 16. There are no financial, human resources, crime and disorder, information technology, property or other implications directly associated with this information only report.

**Risk management**

- 17. Not applicable as this is an item for information only.

**Recommendations**

- 18. That the Committee note the present position in relation to major developments and planning applications in the city.

Reason: To ensure that the Committee is kept informed of major developments and planning applications in the city.

**Author:**

Mike Slater  
Assistant Director, City  
Development and  
Sustainability.  
Tel: 551300

**Chief Officer Responsible for the report:**

Report  
Approved



**Date** 12/03/2013

**For further information please contact the author of the report  
Wards affected – ALL**





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## Economic and City Development Overview and Scrutiny Committee

26 March 2012

Report of the Chief Executive

### Progress Report – Local Enterprise Partnerships

#### Summary

1. This report provides an update on progress with the two Local Enterprise Partnerships (LEPs) that York belongs to: Leeds City Region and York/ North Yorkshire/ East Riding. It also outlines policy developments which are emerging which might affect the future focus and operations of LEPs.

#### Background

2. As Committee will be aware from previous update, Lord Heseltine published a report in October 2012, *No Stone Unturned in Pursuit of Growth*, which made several recommendations for LEPs, which has since this time, focused the activities of the LEPs in both LCR and YNYER.
3. The following LEP specific recommendations are included:
  - i. LEPs should develop their own tailored Growth Strategies;
  - ii. From 2015/16 LEPs should compete for a share of a single national un-ringfenced pot to support growth over a 5 year period. Under the current spending plans this would account for £49bn of central public spending on skills, local infrastructure, employment support, housing, business support and innovation.

- iii. LEPs should as a priority review their own existing boundaries as a priority, and no area should be in more than one LEP; and,
  - iv. The Chambers of commerce should have an enhanced role building a stronger relationship between business and LEPs in their area.
4. **Progress.** Since publication of the Heseltine Review and the Autumn Statement, there has been considerable progress made in moving both LEP agendas forward, although it is clear there is still some uncertainty over the role of the two LEPs vis a vis the York agenda. However, the city is starting to define its key asks from and contributions to each LEP and this process is outlined below.
5. **York, North Yorkshire and East Riding LEP.** The YNYER LEP has a targeted LEP strategy now in place, but the partnership is now considering the need to put in place a more comprehensive growth strategy in response to the Government's expectations for LEPs post Autumn Statement. The Partnership is faced with the dilemma that several of its areas are in more than one LEP and that in both the case of the Leeds City Region and Hull and Humber Ports LEPs there is work underway to create more formal arrangements for working together in areas of strategic importance.
6. For York, the approach has been to encourage the YNYER LEP to maintain as much focus in the business growth agenda and the flagship projects and sectors the LEP has identified in the development of the Potash mine in Scarborough and the agri food supply chains involving university of York, Askham Bryan, Science City York and FERA research expertise and facilities.
7. The LEP is continuing to deliver concrete activities on the ground for business, including access to local business to a network of trade association accredited mentors and business support programmes and events throughout the sub region. It is also believed that the LEP team are developing a bid to Regional Growth Fund for small business support funding.

8. **Leeds City Region LEP.** The LCR LEP continues to make progress against the delivery of the LCR City Deal.
9. This progress includes the development of a draft trade and investment plan for the city region, which will see the city region authorities collaborating to enhance both the export performance of existing city region companies and the attraction of more inward investment to the city region. In the case of the former, the city region has recently launched and is now rolling out the "We are International" campaign and series of events and forums, which for York, act as a complement and boost to the already established York Export Forum.
10. In the case of inward investment, the city region partners are working together to develop and promote the sector propositions in those sectors that cross city region boundaries and from which the city region economy stands to gain the most from joint working. The city region is looking at propositions in the healthcare and medical technologies, bioenergy and advanced manufacturing as well as financial and professional services industries. In mid March, the City of York Council went with LCR partners to the international property fair in Cannes to promote the city as part of the city region offer to investors, developers and end users, and is a practical outcome of the city region plan for collaborating to generate inward investment. The opportunity enabled the city of York to take part in an event that otherwise would be beyond its reach and that of individual local authorities in the city region, in terms of scale.
11. The city region has also been successful in bidding for funding from the Regional Growth Fund for the establishment of two business funding schemes, which have been launched to provide small and medium sized enterprise funding to unlock growth. The funding came through round three of the Fund and was launched to local businesses in mid February. City of York Council's economic development team are working with local business to encourage and assist local business in tapping into these funds, along with working closely with the city region team to support the development of RGF bids to Round 4 of the funding.

12. In the area of transport, progress continues to establish a “Combined Authority”, which would enable more effective governance and decision making at a city region level in key strategic areas such as transport and economic infrastructure investment. A Combined Authority is a legal entity and is overseen by relevant legislation.
13. As reported in the last LEP update to the committee, although City of York Council is considering the opportunity of joining a combined authority with West Yorkshire, the geography also creates a particular challenge for York should the Council wish to be part of the Combined Authority. A Combined Authority should ideally be composed of adjacent local authorities with “contiguous boundaries”. Whilst a governance review of York is being carried out, the city and its city region partners are engaging in discussions with government officials to assess whether there is an opportunity for York to be a member and/or participate in the Combined Authority.
14. The final combined authority scheme must be submitted to Government by July 2013, before which time the committee will receive a further update and opportunity to comment.
15. In the interim, an announcement has been made by the DfT of transport infrastructure funding to be devolved to a Local Transport Body that includes West Yorkshire authorities and York. The LTB may likely be superseded by the Combined Authority when established, but city of York Council members and officers are working with partners to ensure that the city maintains the appropriate level of decision making power with regard to this funding.

### **Consultation**

16. No specific consultation has taken place on the contents of this report, which reflects the on-going involvement of the Leader, Members of the Cabinet, Chief Executive and senior officers in LEP Board and other meetings.

### **Options**

17. Options are not relevant to this report.

### **Analysis**

18. Not relevant.

### **Council Plan**

19. The work of the LEPs should prove valuable in supporting the Council Plan priorities of creating jobs and growing the economy and also get York moving priorities

### **Implications (Financial/ Human Resources/ Equalities/ Legal/ Crime and Disorder/ Information Technology)**

20. The legal issues associated with a Combined Authority are highlighted above.

### **Risk Management**

21. Not relevant.

### **Recommendations**

22. The Committee is asked to note the content of this progress report.

Reason: To keep the Committee up to date with the work of the LEPS

**Contact Details**

**Author:**

Katie Stewart  
Head of Economic  
Development  
Office of the Chief  
Executive  
Tel: 554418 or  
katie.stewart@york.gov.uk

**Report  
Approved**



**Date** 14.03.2013

**Wards Affected:**

**All**

**For further information please contact the author of the report**

**Background Papers:**

None

**Annexes**

None



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**Economic and City Development Overview  
and Scrutiny Committee****26<sup>th</sup> March 2013**

Report of the Assistant Director Governance and ICT

**Interim Report – External Funding Scrutiny Review****Summary**

1. This report summarises the work undertaken to date by the Task Group working on the External Funding Scrutiny Review. The Committee are asked to note and comment upon the report and progress made to date on this review. More specifically they are asked to agree to the spend of £1000 (this Committee's allocation from the scrutiny budget) on the Regional Econometric Model (REM) referenced in the body of this report below and in its associated annexes.

**Background**

2. At a meeting of Economic and City Development Overview and Scrutiny Committee held on 29<sup>th</sup> January 2013 the Committee agreed the following remit for the Task Group to work to in relation to this review:

Aim

To be more effective and systematic in securing external funding and investment for York

Key Objectives

- (i). To assess how Leeds City Region are articulating investment priorities, specifically looking at the case of the LEP European Regional Development Funding Programme being developed and broader European funding
- (ii). To assess what resources are available to City of York Council (CYC) to effectively identify and successfully secure funding

(resources in this instance, including CYC staff, additional or temporary staff, ability to provide match funding, up skilling and training

- (iii). To develop a plan for presenting a strong case to Leeds City Region LEP for funding York's top investment priorities

### **Work undertaken on the review to date**

3. The Task Group met on 22<sup>nd</sup> January 2013 to discuss, amongst other things, a potential way of spending the £1000 allocated to them from the scrutiny budget. At the last meeting of the full Committee it had been agreed that suggestions for these monies be collated by the Task Group and these be formally reported back to the Committee at today's meeting.
4. The Task Group were presented with some information on the Regional Econometric Model (REM. In brief the REM would allow City of York Council to easily calculate the level of Gross Added Value (GVA) created by a wide range of proposed projects to the City and also enable the Task Group to gather evidence about the economic viability of a vast range of projects and initiatives. Further information is at **Annex A** to this report.
5. The cost of the REM licence is £4000 per annum, with the model being updated every 6 months. The cost includes training and on-going support for the duration of the subscription as well as 5 licences.
6. The Task Group discussed the benefits of the REM for both this Scrutiny Review and for the Council as a whole. They understood that currently CYC commissioned work externally from other authorities who had subscribed to the REM; however this was £700 a time so costs very quickly mounted up. To continue commissioning externally was not, therefore, felt to be a sustainable option by the Task Group.
7. The Task Group asked whether Leeds City Region had access to the REM and officers said that they too commissioned this externally. The North Yorkshire and York Local Enterprise Partnership did have access but we were only able to use this on an ad hoc basis.



8. If CYC were to hold a licence (or licences) for the REM itself then it could quite quickly make savings by not having to commission this service externally.
9. The Task Group asked whether the cost of the REM could be funded via a bid to the Economic Infrastructure Fund and were told this was not available for 'tools'.
10. The Task Group then explored further how the REM could help support the External Funding Scrutiny Review. They understood that there was a case for purchasing the REM to assist them in identifying and developing a plan for presenting a strong case to Leeds City Region LEP for funding York's top investment priorities. This was essentially the aim of key objective (iii) of this review as set out in the remit above and were advised that it would be very difficult, both time wise and financially to achieve an outcome for key objective (iii) without greater access to the REM.
11. It was acknowledged that the Task Group could commission the work externally instead and spend £700 doing so; however the Task Group did not believe this to be cost effective. It would also rely on the Task Group only needing to access the REM on one occasion. Alongside this the Task Group felt that there would be a clear case of return on investment if the REM was purchased.
12. In addition to this key objective (ii) of this review was based around identifying which resources were required to effectively identify and successfully secure external funding. On hearing about the REM the Task Group believed that there was a gap in the resources the Council had for undertaking this work and for that reason as well as those stated above gave their support to using the £1000 allocation from the scrutiny budget to put towards the cost of this.
13. Officers reiterated that having constant access to the REM would deliver more effectiveness across the Council in general as well as financial savings. The REM has already been used to enable CYC to get the best value for the city and wider regional economy from the Hungate site. There is also a case for using it to identify the different economic sectors that would bring the highest value back to the local and regional economy; potentially when looking at uses for the York Central site.
14. They also noted that the REM would be able to generate GVA outputs which the Economic and City Development Overview and

Scrutiny Committee could monitor on a regular basis at their meetings; thus allowing them to exercise their overview role in a wider way than they had been able to before.

15. The Task Group then asked a question on where the remaining £3000 would come from to purchase the REM. They were advised that this would need to be found from the Economic Development unit's budget for this municipal year and again it was reiterated that commissioning this service externally was not a sustainable option.
16. Thinking towards the future the Task Group asked how the REM might be used by other Scrutiny Committees in their work. Officers suggested that there were many ways this may happen including undertaking work around health outcomes (especially now that Public Health was the responsibility of the Council). Officers also suggested that the REM may also be a useful tool for partnership organisations such as Yorkshire Museums Trust and Science City York. Officers felt that it could be a useful tool for multiple Scrutiny Committees to measure economic outcomes from projects and programmes undertaken.
17. In addition to this, at the last meeting of ECDOSC, the Chair had suggested posting a question to the GeniUS website around this review. This is now live and can be accessed via the following link:

<http://geniusyork.com/forum/topics/external-funding-scrutiny-review#comments>

### **Next Steps**

18. The Task Group agreed to meet again on 27<sup>th</sup> March 2013 and would be considering information on:
  - To receive information on the top two/three priorities that the authority will be putting forward to Leeds City Region (LCR)
  - To plan which key partners the Task Group will need to invite to a future meeting and what they wish to ask them
  - To review any responses that have been posted to the GeniUS website

### **Consultation**

19. To date consultation has taken place with officers at the Local Authority as well as via the GeniUS website. In addition to this the

Task Group, at their next meeting, will be looking at which key partners they want to talk to and why.

### **Options**

20. Members are asked to note the report and the progress made to date on this review. They also have the following specific options:

**Option 1** Agree to use their £1000 allocation of the scrutiny budget to help fund the purchase of the REM

**Option 2** Do not agree to spend the above at this stage

### **Analysis**

21. At the last formal meeting of this Committee in January 2013 the Committee asked the Task Group to consider ways, if any, that their £1000 allocation of the scrutiny budget be spent; with the distinct proviso that the monies should only be spent if it could be proven that they were required to support this review.
22. The Task Group took the above into consideration and after discussion with officers felt that there was a gap in the resources available to them that the REM would fill. In addition to this it was understood by the Task Group that in order to provide the information required for key objective (iii) of this review officers would need access to the REM.

### **Council Plan 2011-15**

23. This review is linked to the *'create jobs and grow the economy'* element of the Council Plan 2011-15.

### **Implications**

24. **Financial** – The cost of the REM is £4000, with the proposal that £1000 be provided from the Economic and City Development Overview and Scrutiny Committee's allocation of the scrutiny budget. The remaining £3000 will be found from the Economic and City Development Unit's current budget.
25. There are no other known implications associated with the recommendations within this report. However, implications may arise as the review progresses and these will be addressed accordingly.

### **Risk Management**

26. There may be a risk that key objective (iii) of this review cannot be fulfilled without the aid of the REM tool.

### **Recommendations**

27. Members are asked to note and comment upon this report and more specifically decide whether they wish to confirm the use of their allocation of the scrutiny budget to part fund the purchase of the REM.

Reason: To progress this scrutiny review.

### **Contact Details**

**Author:**

Tracy Wallis  
Scrutiny Officer  
Scrutiny Services  
Tel: 01904 551714

**Chief Officer Responsible for the report:**

Andrew Docherty  
Assistant Director Governance and ICT  
Tel: 01904 551004

**Report  
Approved**

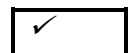


**Date** 14.03.2013

**Specialist Implications Officer(s)** None

**Wards Affected:**

**All**



**For further information please contact the author of the report**

**Background Papers:**

None

### **Annexes**

**Annex A** potential uses for the Economic and City Development Overview and Scrutiny Committee's scrutiny Budget Allocation

### **Potential uses for the Economic and City Development Overview and Scrutiny Committee's scrutiny budget allocation**

1. The Regional Econometric Model (REM) – This would allow City of York Council to easily calculate the level of Gross Value Added (GVA) created by a wide range of proposed projects to the City and also enable the Task Group to gather evidence about the economic viability of a vast range of projects and initiatives.

The baseline data that is provided within the REM is forecast up to 2016 at the same time historic trend data is also available for the same data (some dating back 18 years). Some of the main datasets available through the model are Employment (Full Time Equivalent, Full Time, Part Time and Total Employment), GVA (£million), Population (000s), Qualifications and Occupations. These datasets can be cross referenced so it is possible to get a forecast of qualifications by occupation type for the region.

The Regional Econometric Model is the key evidence gathering, economic modelling tool used across the Yorkshire and Humber region and nationally. It allows subscribers to run a huge variety of 'scenarios of productivity'. In other words it will predict the amount of value generated by a development site were housing to be built on it or whether it be used for different industrial purposes – and in turn will tell us the best outcome for York and the wider region across a range of key sites in the City.

The REM licence costs £4000 + VAT per annum. The model is updated every 6 months and includes training and on-going support for the duration of the subscription

2. Other – the £1000 would not be appropriate for use of a consultant, insomuch as this would buy a very limited amount of time; whereas the REM would allow City of York Council to undertake the work of a specialist consultant ourselves, in house.

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## Economic & City Development Overview & Scrutiny Committee Work Plan 2012/2013

Meeting Date	Work Programme
26 <sup>th</sup> March 2013	<ol style="list-style-type: none"> <li>1. Final Report - Youth Unemployment Scrutiny Review</li> <li>2. Third Quarter CYC Finance &amp; Performance Monitoring Report</li> <li>3. Six Monthly Update Report on Major Developments within the City of York Council</li> <li>4. Update on Local Enterprise Partnerships (LEPS)</li> <li>5. Interim Report – External Funding Scrutiny Review</li> <li>6. Workplan for 2012-13</li> </ol>
30 <sup>th</sup> April 2013	<ol style="list-style-type: none"> <li>1. Update on the implementation of recommendations arising from the Water End Councillor Call for Action</li> <li>2. Six Monthly Update Report on Major Transport Initiatives</li> <li>3. Workplan for 2012-13</li> </ol>

### For municipal year 2013/14

1. June 2013 - Overview/Progress Report – Green Travel Plans (Businesses)
2. June 2013 – Attendance of the Leader (to include information on the City Team)
3. September 2013 – Update on the Implementation of the Recommendations Arising from the Out of Hours Childcare Scrutiny Review
4. November 2013 - Update on Newgate Market, the success of improvements at the market, the EIF bid and information around footfall.

### Potential Scrutiny Topics for the 2013/14 Municipal Year

- Housing Stock – How it is Meeting the Changing Needs of a Growing Population
- How can Local Shopping Centres Contribute to the Wider Economic Well-Being of their Community

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