

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Self Regulation Select Committee
2.	Date:	28th March 2013
3.	Title:	Employment and Worklessness in Rotherham
4.	Programme Area:	Environment and Development Services

5. **Summary**

This report updates the Commission on the current and historical position for employment and worklessness in Rotherham. It also looks at what support is currently available and identifies potential activity the Council could help to deliver.

6. **Recommendations**

That the Commission:-

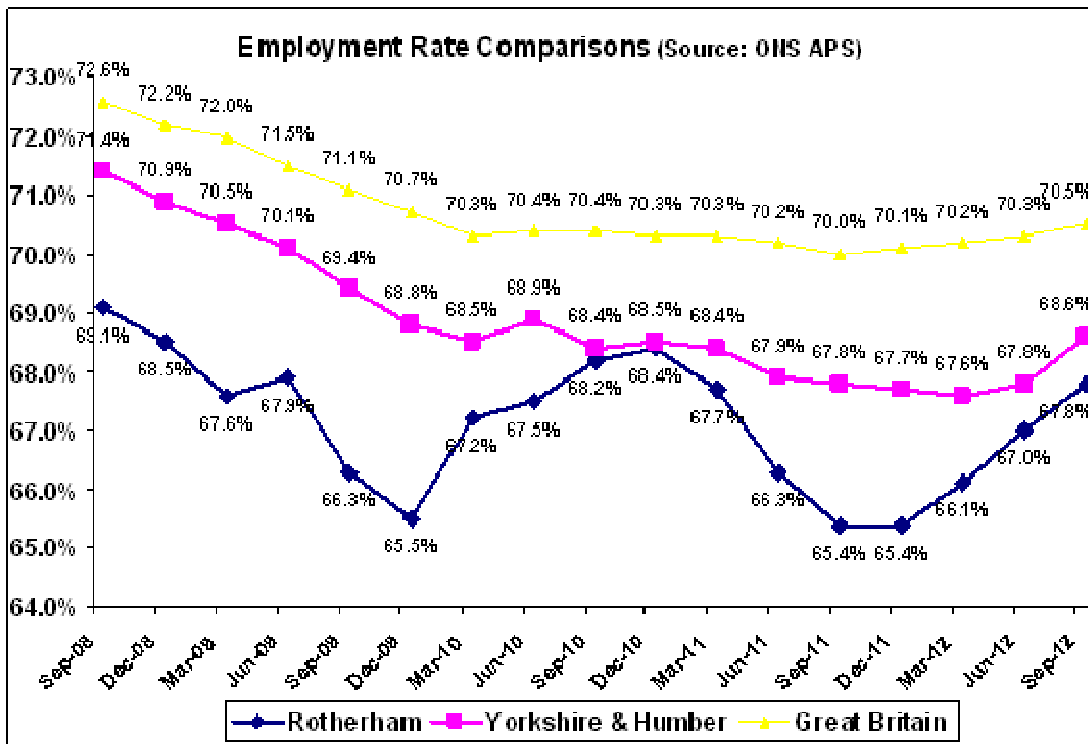
- 1) **Note the report**
- 2) **Discuss potential and current interventions in the Rotherham employment market**

7. Proposals and Details

Background

Appendix 1 to this report sets out some statistics relating to employment/worklessness in Rotherham over the last 8 years.

In Rotherham the employment rate was regularly above that for Y&H and close to the national rate, peaking at around 72.5% in 2006. Although it subsequently fell away slightly, the major fall was at end of 2008 as recession hit, with our gap to national average increasing sharply. We narrowed the gap again during 2010 (the short-lived recovery) but the gap increased again in 2011. The last few quarters have seen our employment rate improve again and narrow the gap to the national figure to a more usual 2.7 percentage points.



Levels of worklessness vary greatly between different areas of the borough, as demonstrated by the map in Appendix 1. The majority of the areas with highest unemployment are based around the town centre, although there are pockets of high unemployment in both the north and south of the borough.

Any activity to increase employment must not only seek to increase the number of jobs within the borough; by starting up new firms, growing existing firms or attracting new investment; but also ensure that our residents can access them, be that physically or through having the required skills and experience.

Although the employment rate is predominantly affected by the national/world economy as evidenced by the impact of the recession; over the years a number of local initiatives (Rotherham/South Yorkshire) have been delivered with varying degrees of success, a number of which are set out below.

Previous initiatives

Future Jobs Fund

- Targeted those approaching 12 months unemployed
- Focus on young people, but could assist anyone.
- Provided 6 months of employment and training
- Delivered 500+ jobs , with over 20% moving into permanent employment
- Delivery in Rotherham through Phoenix Enterprises
- Very successful initiative, but quite expensive at about £6,500 per person.

Progress Together

- ESF funded – managed by LSC and JC+
- Provided support from initial engagement into first months of employment.
- Key workers allocated to each beneficiary, providing support up to and into employment
- Project ran to June 2011.

Rotherham Enterprising Neighbourhoods

- Delivered by RiDO, RYE, Chamber and VAR funded through ERDF
- Supported new start and existing businesses in areas of deprivation
- Numbers considering self-employment increases during an economic downturn
- Finished December 2011
- Project outputs; 206 new businesses and 520 new jobs created
- Cost £3m+, had good impact but funding no longer available

Local Ambition Project (LAP)

- Scheme funded by Yorkshire Forward.
- Targeted Canklow, East Herringthorpe & Ferham
- RMBC Co-ordinators based in community working in partnership with other organisations, linking people and businesses to existing economic activity and support
- Activity started in March 2010 and ended in March 2011, when YF withdrew their funding
- JC+ provided outreach support in all 3 areas on back of the LAP activity

Current provision

RMBC HR Sponsored Employability Initiatives

- Access All Areas – work placement programme for long term unemployed disabled people operating since 2009 (83 placements since April 2012 and 11 job starts).
- Move on To Employment – temporary funded sub project of Access All Areas providing paid 6 month work opportunities for 18 people 11 of whom subsequently moved into jobs.
- Apprenticeships – promotion of benefits of employing apprenticeships and ongoing support for managers and apprentices (52 apprenticeship starts since April 2012 alone).
- Looked After Children – structured work placement opportunities for young care leavers (7 Placements this year)
- School support – Range of 2 week work experience placements, careers advice, enterprise activities and interview skills to several schools & pupils.
- Work Programme Support – RMBC HR able to refer people to the work programme and offer work placement opportunities.

Job Centre Plus programmes

JCP run a number of employment programmes including:-

The Youth Contract

Announced in November 2011, the youth contract allocated £1 billion over three years (from 2012/13) to a range of existing and new initiatives to tackle youth unemployment:

- 160,000 wage incentive payments to employers, worth up to £2,275 each, for those who recruit an unemployed 18-24 year-old from the government's work programme.
- An extra 250,000 work experience or sector-based work academy places, taking the total to at least 100,000 a year
- Funding for at least 20,000 extra apprenticeship grants to employers. These are incentive payments worth £1,500 each for small and medium sized employers to take on their first apprentice aged 16-24, taking the total to 40,000.
- More flexible adviser support delivered through Jobcentre Plus for all 18-24 year-olds, including the offer of a National Careers Service guidance session within the first three months of any 18-24 year-old registering for JSA.
- A payment-by-results initiative focusing on 16-17 year-old NEETs with no GCSEs at grades A*-C.

Other JCP support includes:-

- Work Clubs - allowing people who are out of work to exchange skills and share experiences in planning their own journey back to work, with others going through the same experience
- Work Together - helps claimants develop work skills through volunteering, with opportunities provided by local charities and voluntary organisations
- New Enterprise Allowance - supports those looking to start their own business by providing access to finance and support from local business mentors
- Enterprise Clubs - help people make the most of local knowledge and resources to support unemployed people who are interested in self-employment
- Sector based work academies - offer pre-employment training and work experience placements in sectors with high volumes of local vacancies, with participants receiving a guaranteed job interview upon completion. Local Academies have been run for Boundary Mill at Waverley and Capita in the Dearne Valley.

The Work Programme –

- The government's main programme for tackling unemployment.
- Under 25s eligible after 9 months unemployed, over 25s after 12 months
- Delivered by private sector organisations, Serco and A4E for Rotherham. A4E deliver directly, Serco sub-contract to local organisations
- Payments made on success in assisting people into work and for them remaining employed.
- A4E working with RMBC HR to provide work experience for disabled people through Access All Areas project.
- Market still quite difficult, but A4E currently filling about 50 vacancies per month in Rotherham.

Skills Made Easy

- Part of City Deal between City Region and central government, running 2013-15
- Local control over £76m of public, private and government funding
- Work with small businesses in priority sectors; give them control over their skills and training requirements.
- Deliver 4,000 new apprenticeships and 2,000 existing workers upskilled across whole of SCR

Rotherham Investment & Development Office (RiDO)

- 4 business incubation centres with 200 workshops/offices housing 120 businesses and providing them with business support.
- Soft Landing Zone, an ERDF funded project to attract small foreign businesses with growth potential and to help existing Rotherham SMEs to trade overseas
- Key Account Managers working with larger Rotherham businesses and SMEs with growth potential
- Work in conjunction with City Region team in attracting inward investment
- HR Business Consultant assists companies in the recruitment and training of employees

Future activity

Linking deprived areas and people to employment

- Officers from RiDO and the Regeneration teams looking at ways to link major job creation to the more deprived areas of the Borough.
- For example, will seek to work with Tesco and Jobcentre Plus regarding jobs created at the new town centre store.
- On a smaller scale but specifically focused at a group with a particular need for support, RMBC recently held a breakfast meeting with local employers to make them aware of those care leavers who are currently seeking employment and what support they could provide assist them.
- RMBC HR are just starting an initiative to engage better with the relevant schools/contacts/community groups in our deprived communities and offer placements/support for Apprenticeships and 'job-ready' activity.

Talent Match

A Big Lottery programme targeting 18-24 year olds who haven't been in work, education or training for at least 12 months, aiming to help them find work or set up their own business. Various Rotherham organisations are involved in a Sheffield city region partnership bid that has received initial endorsement from Big Lottery. A full business plan is now being developed for submission in May.

The next European Programmes covering the period 2014-20 are currently under development. These are at an early stage, but priorities from the EU and the City Region include:-

- Worklessness, social inclusion and combating poverty
- developing both a pre-apprenticeship programme and a programme to help the young unemployed become more work ready
- continuing, deepening and broadening the many successful programmes already underway in different parts of the city region

It is acknowledged that these issues are best tackled at a local level and Rotherham partners will be fully involved in agreeing the final make up of the programme.

8. Finance

Much of the activity of the last 20 years has been driven by public grant funding; the two main sources being Objective 1 from Europe and SRB from the UK government.

Although Rotherham will receive further funding under the next European Programme the amount of available funding has reduced and moved towards loans/equity rather than grant funding. There are also likely to be continuing issues with securing sufficient amounts of the match funding required to draw down all the available EU funds.

Funds such as Growing Places Fund and Regional Growth Fund are both available, but with the focus very much on private sector companies and job creation, which are seen as the main growth areas in the current economic climate

9. Risks and Uncertainties

The employment market is still fragile, with major recent redundancies such as the 500 jobs lost with the closure of Maltby Colliery.

There is less funding for projects that look at social cohesion issues, such as the Local Ambition Project, despite the evidence of the benefit they have, including economically in the longer term. RMBC are pressing for inclusion of this type of project in the next ERDF/ESF programme.

Support is now more focused on innovative, high value businesses. While these provide higher waged jobs, they are often less accessible to people from those areas with higher unemployment and potentially provide fewer numbers of jobs. There will be a need to strike the right balance between high value - low number and lower value – higher number jobs

10. Policy and Performance Agenda Implications

Employability is a major theme of Rotherham's Corporate Plan, linking to the following priorities:-

- Continue to help people in our poorest communities who want to set up new businesses
- Work with partners to help people in our poorest communities to find and keep better jobs, particularly by increasing the number of adults with relevant skills
- Work with partners to develop and support more volunteering projects as a way to get back into work.
- Promote and support local development, creating more job opportunities for local people, by marketing Rotherham as an attractive business location, particularly for advanced manufacturing, and helping businesses start up and grow by providing suitable premises and support
- Work with business and other partners, locally and sub-regionally, to drive Rotherham's economy.

The Rotherham Economic Plan highlights the importance of employability to Rotherham's economy and in linking it to the more deprived areas of the borough. Plan priorities include:-

- Increased numbers of residents with advanced skills, benefiting them and their families' personal wealth and well-being while, crucially, enabling local businesses to recruit, develop and grow through being able find the employees with the right skills from within the borough.
- Raised aspirations and improved enterprise awareness, but especially within the most disadvantaged communities, with improved start-up rates.
- Significantly reduced levels of worklessness – the development of skills among the workless community that meet the needs of employers and an infrastructure developed to support workless individuals and businesses.
- Young people with enterprise skills and awareness, high aspirations among them and their families, and every young person enabled and supported to understand and take local economic opportunities and achieve their potential.
- An image of Rotherham that is positive and understood both within and beyond the borough, promoting it within the region and beyond.

11. Background Papers and Consultation

A performance clinic was previously held in July 2010, looking into National Indicator 153 - Working age people claiming out of work benefits in the worst performing neighbourhoods.

Colleagues from Job Centre Plus, Serco, A4E, RiDO and RMBC HR and Finance were consulted in the writing of this report

Contact Name:

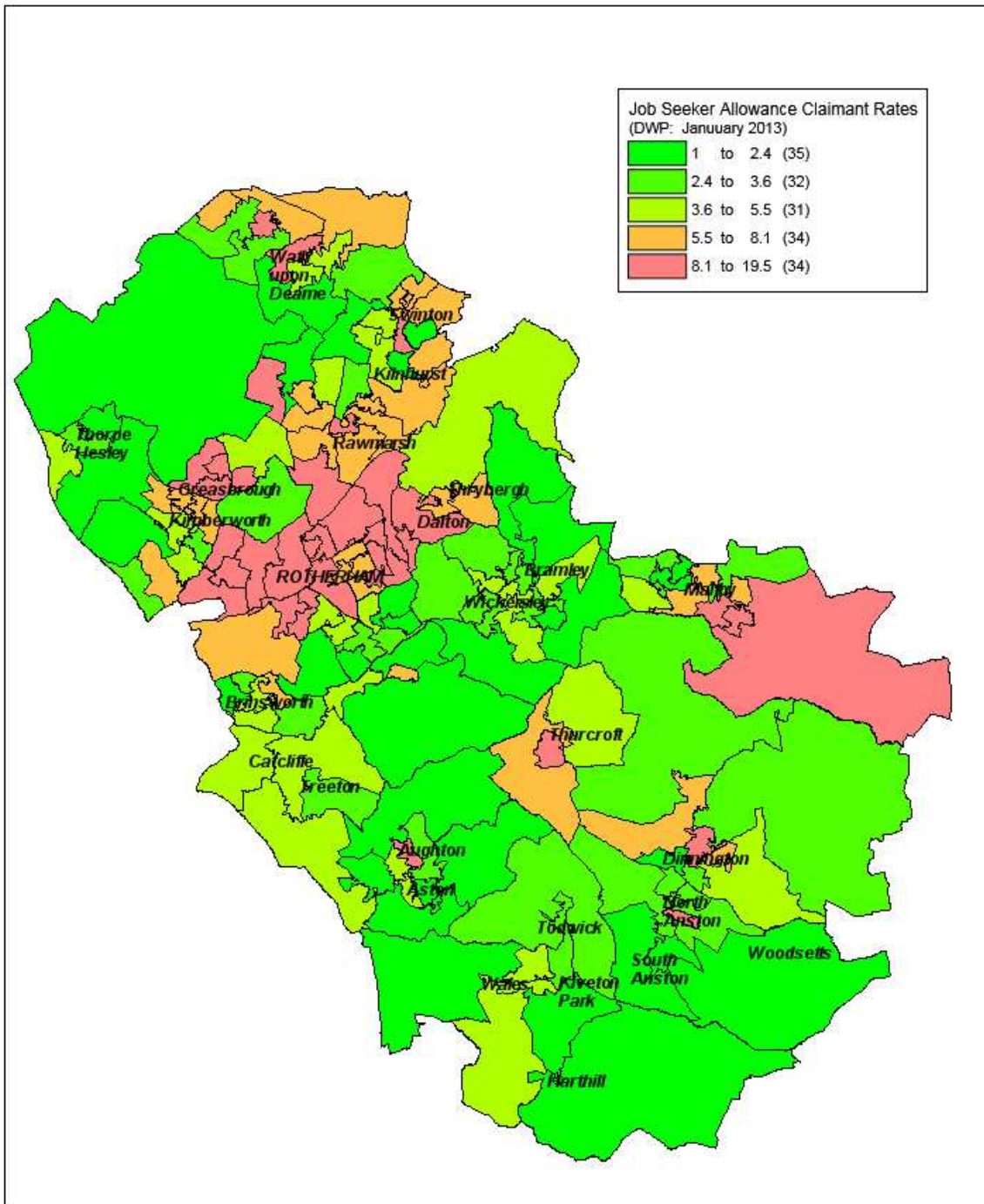
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Appendix 1

Rotherham employment statistics

Period (year to):	Employment rate			Emp Gap to GB
	GB	Y&H	Rotherham	
Dec-04	72.6	72.0	72.8	-0.2
Mar-05	72.7	72.2	72.0	0.7
Jun-05	72.7	72.3	72.6	0.1
Sep-05	72.8	72.4	72.1	0.7
Dec-05	72.7	72.2	72.6	0.1
Mar-06	72.5	71.8	72.5	0.0
Jun-06	72.5	71.9	70.3	2.2
Sep-06	72.4	71.5	69.9	2.5
Dec-06	72.5	71.8	69.6	2.9
Mar-07	72.5	71.5	68.9	3.6
Jun-07	72.5	71.2	69.3	3.2
Sep-07	72.5	71.3	69.8	2.7
Dec-07	72.5	71.3	70.2	2.3
Mar-08	72.6	71.6	70.4	2.2
Jun-08	72.7	71.3	69.8	2.9
Sep-08	72.6	71.4	69.1	3.5
Dec-08	72.2	70.9	68.5	3.7
Mar-09	72.0	70.5	67.6	4.4
Jun-09	71.5	70.1	67.9	3.6
Sep-09	71.1	69.4	66.3	4.8
Dec-09	70.7	68.8	65.5	5.2
Mar-10	70.3	68.5	67.2	3.1
Jun-10	70.4	68.9	67.5	2.9
Sep-10	70.4	68.4	68.2	2.2
Dec-10	70.3	68.5	68.4	1.9
Mar-11	70.3	68.4	67.7	2.6
Jun-11	70.2	67.9	66.3	3.9
Sep-11	70.0	67.8	65.4	4.6
Dec-11	70.1	67.7	65.4	4.7
Mar-12	70.2	67.6	66.1	4.1
Jun-12	70.3	67.8	67.0	3.3
Sep-12	70.5	68.6	67.8	2.7



Full unemployment numbers (i.e. not just JSA claimants)

Date	Rotherham	Rotherham (%)	Yorkshire and The Humber (%)	Great Britain (%)
Jan 04-Dec 04	5,200	4.2	4.5	4.8
Apr 04-Mar 05	5,200	4.3	4.4	4.8
Jul 04-Jun 05	5,400	4.3	4.5	4.8
Oct 04-Sep 05	5,500	4.5	4.4	4.8
Jan 05-Dec 05	5,900	4.7	4.8	4.9
Apr 05-Mar 06	6,300	5.0	5.2	5.1
Jul 05-Jun 06	7,200	5.9	5.4	5.3
Oct 05-Sep 06	7,700	6.3	5.8	5.4
Jan 06-Dec 06	7,800	6.4	5.6	5.4
Apr 06-Mar 07	7,400	6.1	5.6	5.4
Jul 06-Jun 07	6,900	5.7	5.6	5.3
Oct 06-Sep 07	6,900	5.7	5.5	5.2
Jan 07-Dec 07	6,600	5.5	5.5	5.2
Apr 07-Mar 08	6,500	5.4	5.2	5.2
Jul 07-Jun 08	7,100	5.8	5.6	5.2
Oct 07-Sep 08	8,000	6.6	5.9	5.3
Jan 08-Dec 08	9,200	7.6	6.3	5.7
Apr 08-Mar 09	10,500	8.7	7.1	6.2
Jul 08-Jun 09	11,300	9.2	7.7	6.9
Oct 08-Sep 09	12,300	10.3	8.2	7.4
Jan 09-Dec 09	12,600	10.6	8.6	7.7
Apr 09-Mar 10	12,500	10.2	9.0	7.9
Jul 09-Jun 10	12,600	10.2	8.8	7.7
Oct 09-Sep 10	11,700	9.4	8.6	7.7
Jan 10-Dec 10	11,800	9.5	8.8	7.7
Apr 10-Mar 11	12,600	10.2	8.7	7.6

Jul 10-Jun 11	12,800	10.5	8.9	7.7
Oct 10-Sep 11	13,900	11.4	9.5	7.9
Jan 11-Dec 11	14,300	11.6	9.5	8.0
Apr 11-Mar 12	13,900	11.3	9.7	8.1
Jul 11-Jun 12	14,200	11.4	9.9	8.1
Oct 11-Sep 12	13,400	10.7	9.5	7.9

Source: ONS Annual Population Survey

Note: numbers and % are for those aged 16 and over. % is a proportion of economically active