
Report to: Employment and Skills Committee

Date: 13 July 2023

Subject: **Current and Future Employment Support activity at the West Yorkshire level**

Director: Phil Witcherley, Director of Inclusive Economy, Skills and Culture

Author: Sonya Midgley, Policy Manager (Skills) and Anna Myers, Employment Support Manager

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1. To update the Committee on developments and performance of employment support services coordinated at the regional level.
- 1.2. To seek advice on the alignment of UKSPF calls for funding against the Employment and Skills pipeline and SPF programme aims
- 1.3. To seek endorsement of the development of an Employment Support blueprint for West Yorkshire

2. Information

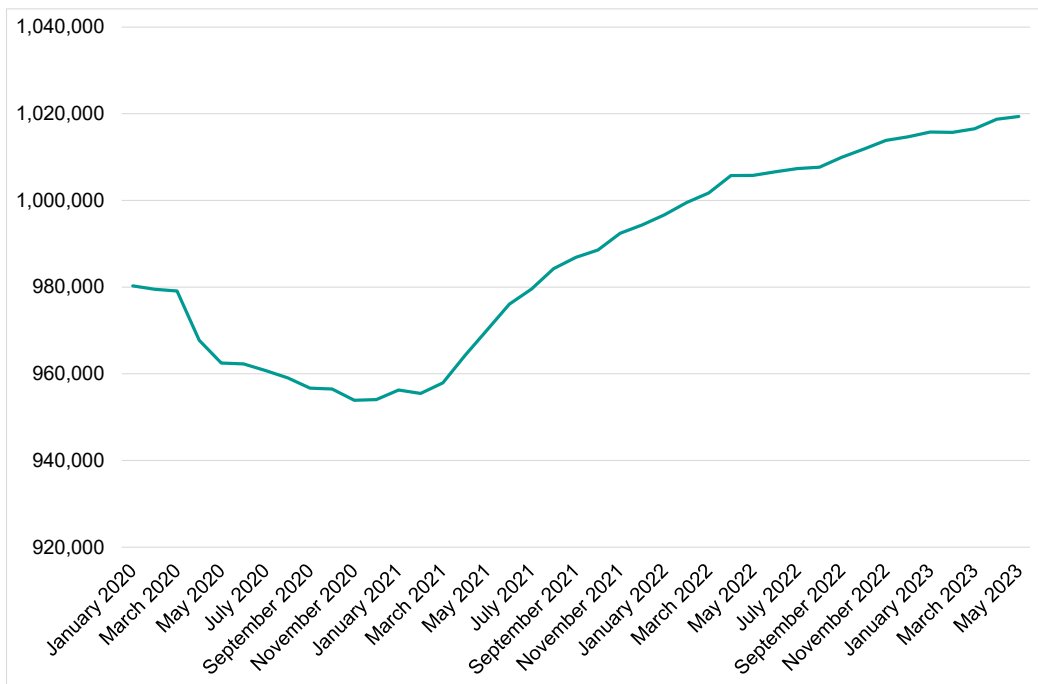
Evidence Base

- 2.1 Overall, labour market conditions in West Yorkshire are strong with growing employment and a high level of vacancies, although the situation varies markedly at local authority level. Nonetheless, the region faces structural challenges arising out of high levels of economic inactivity, particularly for groups who are disadvantaged in the labour market. In addition, the claimant

count remains above pre-pandemic level and is on an upward trend. Labour market prospects remain uncertain. In addition, recent changes in economic trends point to a risk of an increase in demand for employment support services.

2.2 Real-time information on the count of payrolled employees point to a continued upward trend in employment in West Yorkshire and nationally. Based on data for May 2023, the count of employees is 40,000 or 4% higher in West Yorkshire than before the pandemic (February 2020) and 14,000 (1%) higher than a year previously.

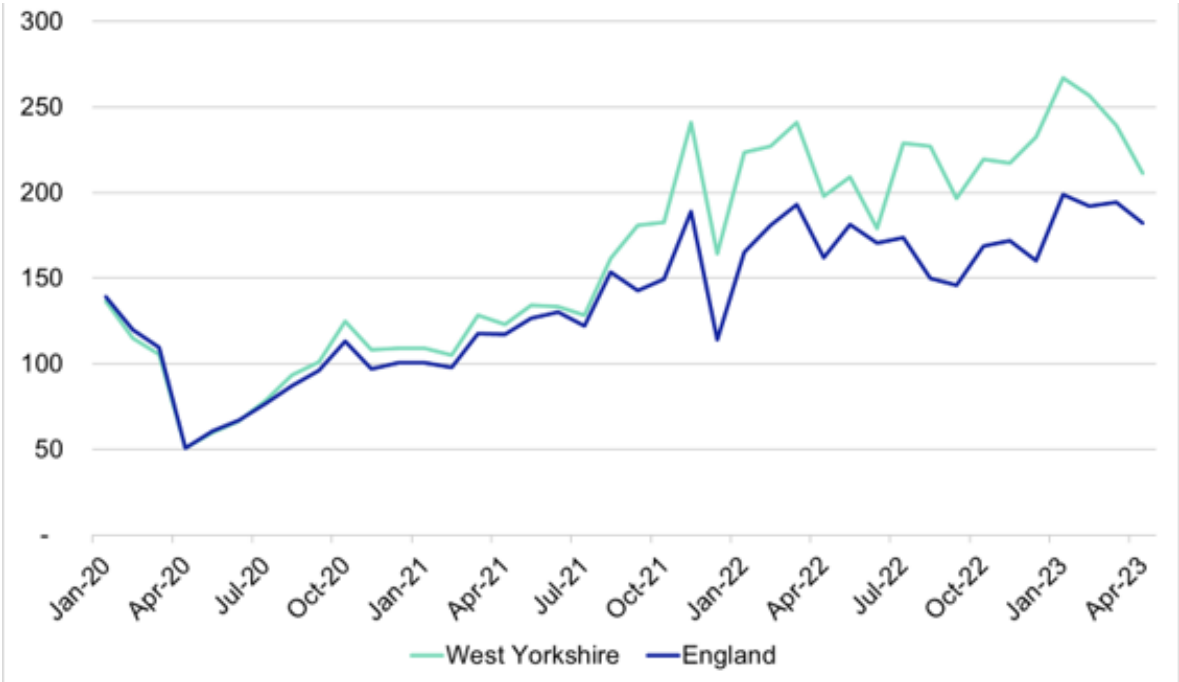
Figure: Trend in count of payrolled employees, West Yorkshire



Source: Pay As You Earn Real Time Information from HM Revenue and Customs

2.3 Recruitment demand in West Yorkshire has been stronger than nationally since the pandemic. The monthly volume of online job postings in West Yorkshire in May 2023 was 122% higher than in January 2020, whereas the equivalent national growth figure was only 51%. The monthly count of job postings peaked in late 2022 and was followed by several consecutive months of decline before rebounding in May 2023. Although demand is still at high level in historic terms it seems likely that it will continue to soften in future with further falls in vacancy volumes.

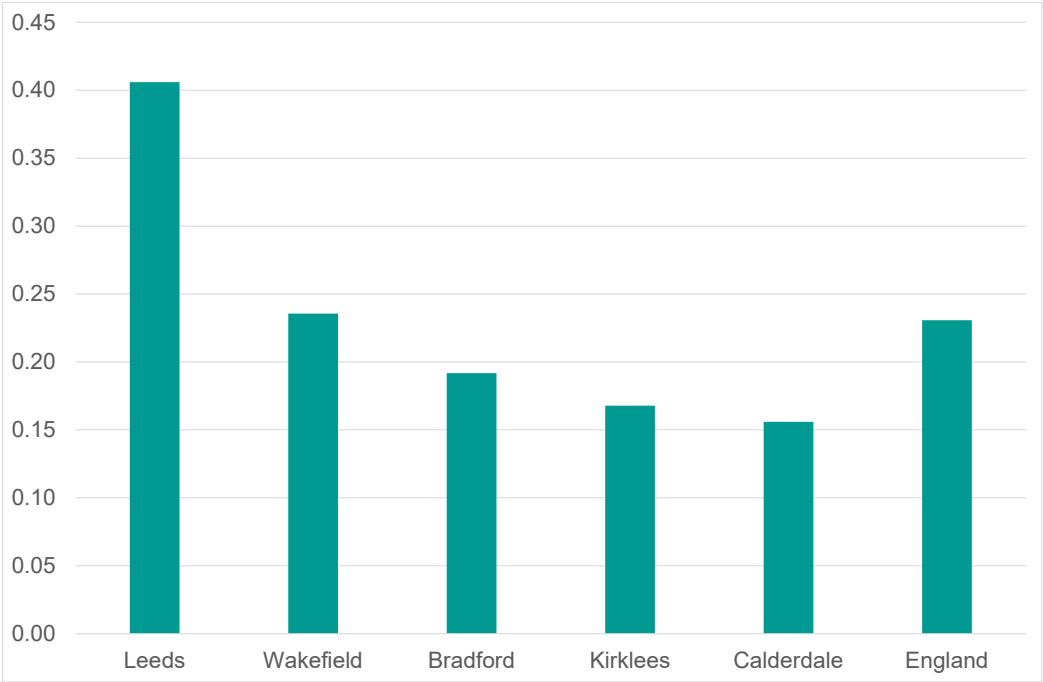
Figure: Trend in monthly count of online job postings (index: average of 2019=100)



Source: Lightcast

2.4 Leeds has the strongest labour market in West Yorkshire. The ratio of vacancies (online job postings) to working age population in Leeds (at 0.41) is nearly twice the national average and is one of the highest in England. Elsewhere in West Yorkshire the ratio ranges from 0.16 in Calderdale to 0.25 in Wakefield. The ratio of unemployed claimants to vacancies (online job postings) is also very low in Leeds at 1.1, compared with the national average of 1.69. This indicates that Leeds has a tight labour market, although this is offset by large inbound commuting from other parts of West Yorkshire and also from York and North Yorkshire. In contrast, the ratio of claimants to vacancies in Bradford is around 3, showing that there are more unemployed people competing for each opportunity.

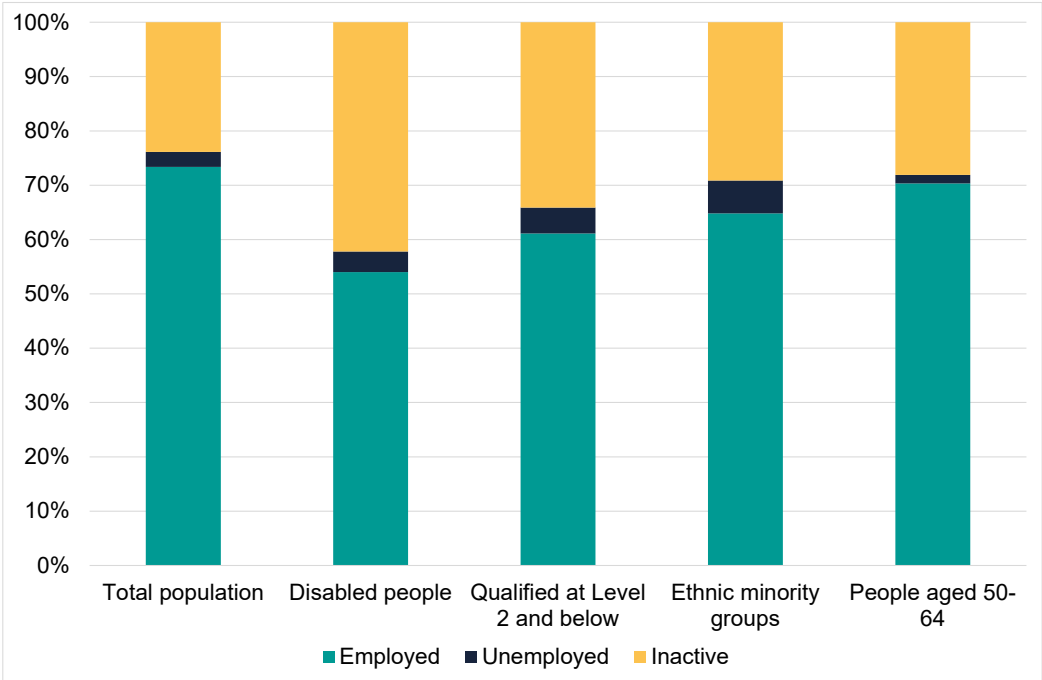
Figure Ratio of vacancies (online job postings) versus working age population by local authority



Source: Lightcast and ONS Population Estimates (2021)

- 2.5 West Yorkshire’s overall employment rate (the proportion of working age people in employment) is below the national average, with a gap of 3 percentage points (76% versus 79%). This gap is due to higher economic inactivity among working age people in West Yorkshire. Whilst the proportion of people who are unemployed is similar to the national average, the proportion who are inactive in West Yorkshire is 24%, 3 points higher than nationally. Leeds’ performance is similar to the national average in terms of its employment rate and inactivity rate, whereas Kirklees has the lowest employment rate in West Yorkshire (73%) and the highest inactivity rate (27%).
- 2.6 Disadvantaged groups in West Yorkshire have below average employment rates and this is mostly due to relatively high economic inactivity. For example, the employment rate among disabled people is only 54%, 19 percentage points lower than the overall average employment rate for West Yorkshire. The inactivity rate among disabled people is 42% compared with the overall average of 24%. Similar employment rate deficits (combined with high economic inactivity) also affect some ethnic minority groups, people qualified below Level 2 and older people aged 50 to 64.

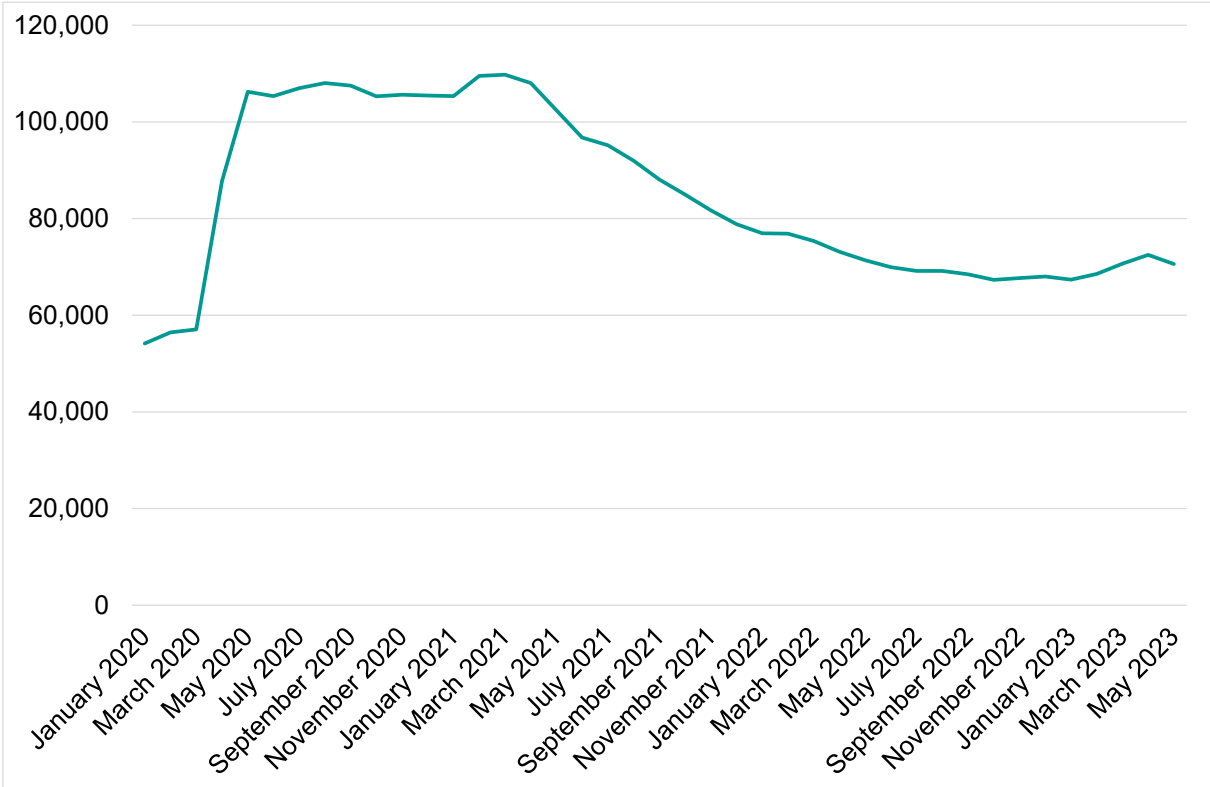
Figure: Employment, unemployment and economic inactivity for selected disadvantaged groups (2022)



Source: Annual Population Survey, January to December 2012

- 2.7 The number of older people aged 50 and above who are economically inactive in West Yorkshire has grown significantly since the pandemic (between 2019 and 2022) by 33,000 or 7%. Among those aged 50-64 inactivity has grown by 17%. Data for Yorkshire and the Humber show that the number of people aged 50-64 who are inactive due to long-term sickness increased by more than a quarter (27%) between 2019 and 2022. Across all age groups, 25% of West Yorkshire’s 347,000 economically inactive people of working age are inactive due to long-term sickness.
- 2.8 The claimant count – the official count of people who are claiming benefits primarily because they are unemployed has been on an upward trend in West Yorkshire and nationally since October 2022, before seeing a fall of 3% between April and May 2023. This follows a long period of steady decline starting in early 2021 coinciding with the lifting of lockdown restrictions. The level of claimant unemployment in West Yorkshire is now (as of May 2023) 70,585, 25% higher than pre-pandemic level (February 2020). The claimant rate (claimant count as a percentage of the working age population) is higher in West Yorkshire than nationally, at 4.8% versus 3.8%. At local authority level the rate ranges from 3.6% in Wakefield to 6.6% in Bradford.

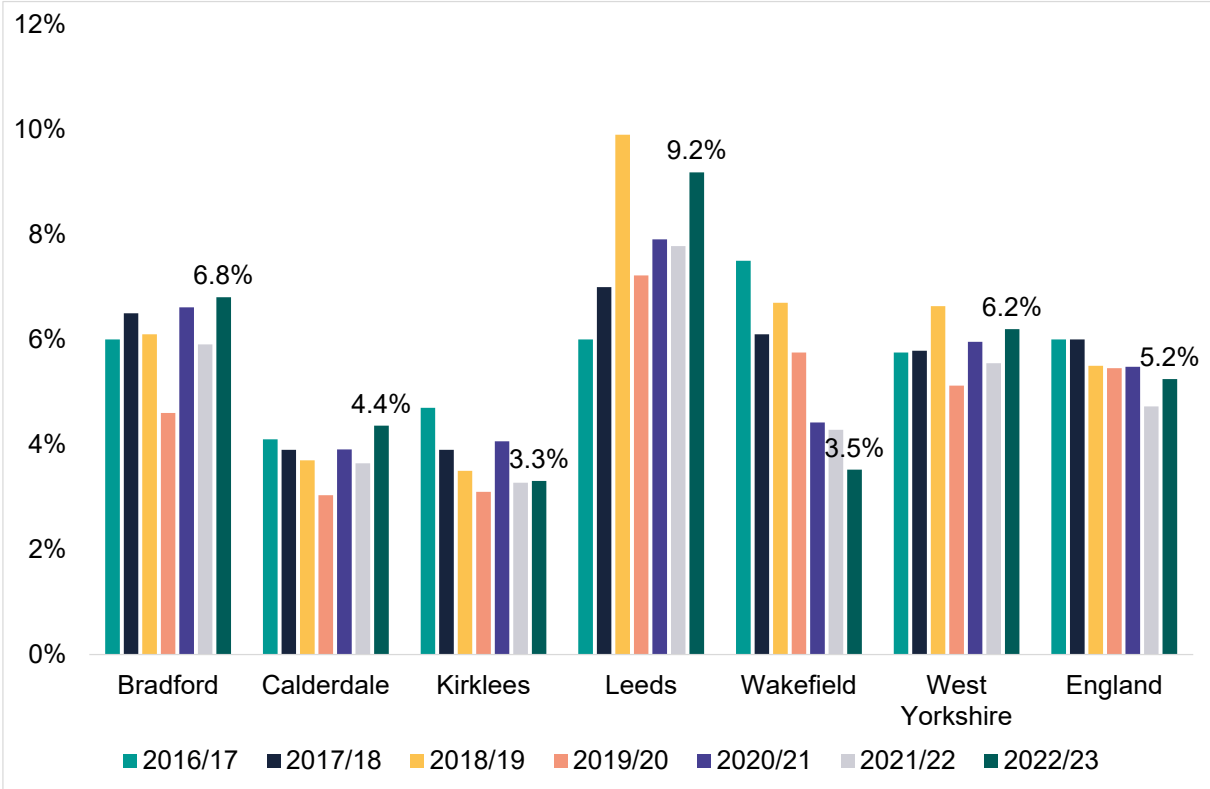
Figure: Trend in claimant count, West Yorkshire



Source: NOMIS

- 2.9 There is also a substantial number of benefit claimants who are in a job. As of March 2023, 85,000 people on Universal Credit in West Yorkshire were in employment, 35% of the total number of claimants. This demonstrates that a large number of people in work have earnings that are not sufficient to meet their needs.
- 2.10 The latest figures show that there are around 3,500 young people in West Yorkshire who are not in education, employment or training (or whose status is unknown). The prevalence of NEETs is higher in West Yorkshire than nationally: as a proportion of the total cohort of 16 and 17-year olds the figures are 6.2% and 5.2% respectively. There is wide variation at local authority level, ranging from 3.3% in Kirklees to 9.2% in Leeds. The number and proportion of young people NEET and not known in West Yorkshire increased for the second successive year in 2022/23. The number increased by 420 or 14%, whilst the proportion of the cohort increased by 0.6 percentage points, from 5.5% to 6.2% (figures appear inconsistent due to rounding). Four out of five local authorities saw an increase in their number of NEETs in 2022/23, although the growth in Kirklees was marginal in absolute terms. Wakefield was the only local authority where the count of NEETs fell.

Figure: Trend in proportion of 16- and 17-year-olds not in education, employment or training (NEET) or whose activity is not known



Source: National Client Caseload Information System (NCCIS)

Current Activity

Collaborative project between DWP and the West Yorkshire Combined Authority

- 2.11 Over the past six months officers from DWP and the CA have been collaborating on a joint action plan to identify where there are opportunities to collaborate and align agendas. This has included co-location and visits.
- 2.12 This project has enabled closer working and sharing of local intelligence on key areas of interest, including gaps in adult skills provision where adult education has been used flexibly to meet demand and support for the new DWP focus on the voluntary in-work progression programme to support claimants to increase their earnings and hours of employment.
- 2.13 Co-location has allowed officers to gain insight into ways of working and delivery of offers, including the partnership work started with the Combined and Local Authorities and DWP on the development of a West Yorkshire Youth Hub blueprint model. Each organisation has recognised the service to unemployed and inactive young people that Youth Hubs can provide to support removal of barriers to work and have committed to collaborating on an operating model for

West Yorkshire that will demonstrate best practice in service design and delivery.

- 2.14 Work Well Partnerships were announced in the Spring Budget. The aim of the programme is to improve integration between employment and health support through a 3 year pilot targeting individuals in and out of work requiring “low intensity” work and health support, clinical and non-clinical. To test the model it is likely a range of local partners will be sought. In developing UKSPF funded work and health interventions, identified for development in the pipeline, it will be important to ensure complementarity with any pilots that re commissioned nationally as well as embedding any learning from evaluations from previous programmes.
- 2.15 Universal Support also announced in the Spring Budget and is based on supported employment/”place and train” approach based and US model of individual placement support. The evidence suggests that this model is successful for cohorts such as prison leavers and people with disabilities. It is likely that this programme will move towards delivery and build on the Local Support for Employment pilots that Local Authorities have been delivering. There is some potential for overlap with UKSPF commissioned activities that will need to be considered in design of commissioning.

Employment Hub 2 close:

- 2.16 The Employment Hub 2 programme (funded through gainshare from April 2021 to March 2023), which was delivered by Local Authorities across West Yorkshire has successfully improved employment opportunities for individuals in the region by providing Employment Support and Information, Advice and Guidance.
- 2.17 The programme committed to supporting 5,500 individuals over two years and overachieved by 1,899. A total of 6,954 individuals across West Yorkshire have received support to gain work, re-skill or up-skill.
- 2.18 Over 50% of individuals engaged are from an ethnic minority background and 21% with a disability. The successful delivery has enabled us to continue an Employment Support offer through our successor programme Employment West Yorkshire.

Employment West Yorkshire launch:

- 2.19 Employment West Yorkshire (April 2023 – March 2025) has been developed

- and is delivered in partnership - with our five Local Authorities. The delivery model ensures that the partnership can provide a flexible and responsive service supporting the needs of their communities.

- 2.20 The programme will provide inclusive support to 7,700 people of all ages to access support and advice to move them closer to, access or return to the labour market and obtain skills to allow for progression towards work or in work.
- 2.21 The employment team in Calderdale supported Sniffers Pet Care with their recruitment recently which resulted in unemployed participant Andrew securing sustained employment. Please see Appendix 1 for a case study video highlighting this story.

Future delivery

UK Shared Prosperity Fund

- 2.22 The Local Investment Plan (LIP) for UKSPF outlines the investment priorities and acknowledged that there is a need to break cycles of deprivation and support people to progress towards work. One of the key challenges to be addressed locally was the need to ensure more people are ready for work in our region, and promoting work as a good option for better health, wealth and well-being. The LIP also recognised the growing need for green and digital skills in the region, and the potential to invest in a regional community grants programme.
- 2.23 A number of calls for projects are being developed to support individuals towards employment. These calls have been prioritised in line with the discussions and Employment and Skills pipeline overseen by this Committee. The following proposals have been shared wider with a sounding group made up of a range of providers and interested parties held on 28 June.

Programme Area	UKSPF	Proposed Route to Market
Employment West Yorkshire	c. £4m	Via existing programme working with the 5 partner councils
Call 1 - Work and Health Programme	Est £4m	Open Call

Call 2 – Community Grants Programme	Est £4m split; <ul style="list-style-type: none"> • £2m (work and health theme) • £2m (support for those furthest from the labour market) 	Open Call
Call 3 – Youth Unemployment	£2m	Open Call

- 2.24 Employment West Yorkshire is a named programme in the Local Investment Plan approved by Government. The programme began delivery in April 2023 and is being delivered by the five Local Authorities and coordinated by West Yorkshire Combined Authority. It aims to support 7,700 individuals through a universal employment support programme towards and within work. This is a vitally important programme that allows geographical coverage for universal employment support providing an essential coordination role in the complicated landscape and enables reach to those furthest from the labour market to access the skills and employment support needed to progress.
- 2.25 Last Summer, the Combined Authority approved £12m gainshare funding towards this programme and committed to using UKSPF funding during the second year of delivery provided the funding was suitable for the programme design and where it helped deliver the UKSPF interventions, outputs and outcomes.
- 2.25 A review has been undertaken with Local Authority partners to consider the total amount of UK SPF funding that could be used towards the Employment West Yorkshire programmes. A range of between £1.4m to £6.67m of UKSPF funding to support the second year of delivery has been considered.
- 2.26 The final amount of funding is currently being finalised and is expected to be around £4m. Subsequently, a change request to the funding sources via the Combined Authority's Assurance Framework ready for an April 2024 delivery start date and year 2 of Employment West Yorkshire delivery.
- 2.27 A proposal to support youth unemployment in line with the pipeline priorities endorsed and overseen by this Committee is also included. Young People not in education, employment or training (NEETs) remains higher in West Yorkshire than in the UK, with some areas demonstrating an increase in numbers. Youth unemployment is also steadily increasing across West Yorkshire.

- 2.28 The Combined Authority in partnership with the five Local Authorities and working closely with DWP are designing a model for Youth Hubs as a place where young people (aged 18-24) are able to access a range of services to support their wellbeing and support them to gain skills and towards employment. The above proposals for UKSPF include £2m to be used to secure a partnership with a provider that can work with partners to support a pilot to deliver the blueprint through across West Yorkshire to support young people to help them gain skills, develop confidence to gain work and increase employer contact.
- 2.29 Similarly, a proposal for a call to address multiple barriers to employment within households in line with Committee's investment pipeline priorities has also been consulted on with stakeholders. This proposal is based on best practice, community and multi-agency models to support those furthest from the labour market towards work and to tackle stubborn cycles of inactivity through holistic support working with families.
- 2.30 Finally, a community grants programme across two themes in the table above are intended to address pipeline priorities through delivery by the voluntary and community sector closest to the communities they serve.

Gainshare funding, Investment Priority 2

- 2.31 As part of a business case for employment and skills interventions developed with the oversight of this Committee and approved by the Combined Authority in June 2023 there is provision for new interventions to address the priorities for employment support.
- 2.32 The Workforce Development and Growth package will encourage and influence those that are (statistically) less likely to enter digital and green employment. Those from non-white backgrounds, women and people with disabilities to consider digital and green skills employment* (WPI Economics Research, 2022).
- 2.33 The offer will support businesses to develop skills to upskill, retain and attract talent as well as embed positive work cultures and increase diversity with a key focus on supporting businesses to develop the skills they need to 'become net-zero' and digitise.

Trailblazer devolution deals

- 2.34 The below table illustrates additional powers granted through the Trailblazer deals announced in Greater Manchester and West Midlands in alongside the Spring Budget 2023, in relation to employment support.

Greater Manchester (GMCA)	West Midlands (WMCA)
<p>A co-design approach to all future contracted employment support programmes, consideration of potential employment support pilots and commitments to explore data sharing, supported by a new joint board: Joint Strategy and Oversight Board.</p> <p>The board will be made up of senior GMCA officers and UKG officials with the authority to consider evidence, make advisory recommendations and engage in discussions proactively, to ensure that DWP, Jobcentre Plus activity and Greater Manchester activity works together to improve client outcomes.</p>	<p>A co-design approach to all future contracted employment support programmes and commitments to explore data sharing, supported by a new joint board: Regional Labour Market Partnership Board, which builds on the current collaborative structure that is already in place.</p> <p>The board will oversee the development and implementation of a strategy to tackle regional labour market challenges and move people back into the labour market and into work. This board will include senior representation from DWP.</p>

- 2.35 There are similarities in both deals to formalise arrangements for co-designing of local employment support. With a variance in the wording of the GMCA deal, whereby the government commits to working with GMCA to consider the feasibility and potential scope of employment support pilots. DWP and GMCA to work together to jointly scope potential GMCA-led employment support pilots that focus on using national employment and health levers alongside devolved local funding (the Adult Education Budget and the UK Shared Prosperity Fund).

Employment Support Blueprint

- 2.36 To support the policy development and position in West Yorkshire on a blueprint for Employment Support, early work has begun on an **Employment Support Blueprint** for the region. This work will be overseen by the Employment and Skills Committee and as a core document as part of the Employment and Skills Framework. The Blueprint will:
- Set out the current context and challenges related to Employment Support in West Yorkshire (as a devolved region)
 - Develop critical thinking about possible system improvements to Employment Support.
 - Determine clear roles and opportunities for improvement and change, as part of any future devolution in this area, in order to be appropriately

placed to meet future requests and opportunities through central government

- 2.37 The Blueprint is being developed by a project team formed of internal CA staff and Local Authority Skills Officers, providing key insight into Employment Support delivery at a Local Authority level. As part of the work a full consultation programme will be undertaken to ensure a wide range of input from stakeholders from across the region, to inform the Blueprint development.
- 2.38 The Blueprint will support the Combined Authority and its partners to establish key policy positions with regards to its role in the regional employment & skills landscape, as well as identify opportunities for partnership working with commissioning bodies through central government.
- 2.39 The Blueprint will examine different stages of the employment support system: finding/accessing employment, maintaining employment and progressing in employment. At each stage of the employment support system, the Blueprint will examine:
- Existing barriers and inefficiencies
 - An ideal 'vision' of how the system could/should work, and which outcomes should be seen
 - What mechanisms can help to contribute to this ideal vision
 - How success can be measured
- 2.40 Within this, the final document will:
- Present the West Yorkshire Combined Authority as a 'thought leader' with regards to Employment Support provision and activity
 - Make a clear case for devolved employment support mechanisms as an integral part of the Employment & Skills landscape
 - Establish policy position to better serve residents and businesses in the region, through providing programmes and services that offer better access to high-quality employment and support individual's personal ambitions
- 2.41 As outlined at 2.13 and 2.28 above, an early opportunity has been identified amongst partners to develop a blueprint for youth engagement / Youth Hubs. This will be a key part of the Employment Support Blueprint.
- 2.42 If agreed, the Employment Support blueprint will move into a research phase over Summer 2023, with consultation/development sessions expected to take place with key stakeholders over Autumn 2023. This will allow for the establishment of key asks/themes related to devolved powers and funding of

Employment Support prior to the report's full publication, in a timely manner that anticipates a general election in 2024.

3. Tackling the Climate Emergency Implications

3.1. There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

4.1. There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

5.1. There are no equality and diversity implications directly arising from this report.

6. Financial Implications

6.1. There are no financial implications directly arising from this report.

7. Legal Implications

7.1. There are no legal implications directly arising from this report.

8. Staffing Implications

8.1. There are no staffing implications directly arising from this report.

9. External Consultees

9.1. No external consultations have been undertaken.

10. Recommendations

10.1 That committee members note the ongoing collaboration between DWP and West Yorkshire Combined Authority, and the opportunities this relationship presents with regards to better supporting service users accessing employment support provision across the region.

10.2 That committee members note the continued intention to use an allocation of UK Shared Prosperity Funding to fund the second year of delivery of Employment West Yorkshire, in order to allow the programme to continue in providing vital employment support across Local Authority areas.

10.3 That members endorse the approach to UKSPF commissioning.

- 10.4 That members agree to officers beginning to develop an Employment Support Blueprint for West Yorkshire for discussion with this committee in the Autumn, which will allow residents to be better served through employment support services.
- 10.5 That members consider and recommend any key stakeholders to be consulted during the development of the Employment Support Blueprint. A draft Blueprint will come back to Employment and Skills Committee at a later date.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – [Employment West Yorkshire – Sniffers Pet Care Case Study Video](#)