ESF Priority Axis 1.1 and 1.2: Promoting Employment for Adults and & Young People

Rationale
The rationale for intervention to promote employment and support labour mobility in Cheshire and Warrington is multi-faceted. Some of the key factors driving the need for intervention are summarised below.

A Declining Working Age Population
If Cheshire and Warrington is to achieve its economic potential, it requires all members of working age to make a positive contribution. This requirement is particularly pressing in the context of an ageing population (2011 ONS population projections suggest the retirement age population will increase by 27% between 2011 and 2021) which presents the prospect of a declining working age population over the next decade, for the first time in recent history. Levels of economic activity and employment will need to increase to allow Cheshire and Warrington to maintain its economic contribution and support the growth aspirations of our business base.

Retaining our Graduate Population
Cheshire and Warrington is home to two universities providing a large student population attracted from across the UK and overseas. At present, we do not have a strong reputation for either retaining graduates produced by our local universities or attracting back Cheshire and Warrington residents once they have completed higher education outside the area. There is a need to take steps to retain our graduate population to support growth aspirations, including to respond to the needs of our priority sectors, including engineering and agri-tech. Some early innovation projects have been developed in this area (e.g. a Manchester Metropolitan University and Virgin Rail scheme to improve the work readiness skills of graduates), but there are opportunities to expand our approach.

Tackling Unemployment
Although Cheshire and Warrington has not faced the scale of worklessness challenges reported in some other parts of the country, and particularly in other northern LEP areas, pockets of worklessness are present. In total, claimant unemployment stands at almost 18,000 people (February 2013).

There are persistent pockets of worklessness in the sub-region including high concentrations of unemployment in parts of Warrington, Ellesmere Port and Crewe, where some Super Output Areas have more than 30% of working age residents in receipt of out of work benefits. Rates are most pronounced amongst young people (14% of 18-24 year olds were unemployed in 2012 compared to less than 5% of 25-49 year olds) and lower skilled adults (nearly 40,000 inactive 24-64 year olds are qualified below Level 2). Such trends are restricting the LEP area’s overall economic performance and the contribution that individuals can make to success.

Raising Self Employment Levels
Self employment levels in parts of the area are also below the national average. In Cheshire West and Chester, 7.2% of 16-64 year olds are self employed compared to a national rate of 9.7%. Rates in Warrington are also lagging behind at 8.5%.

Helping the Workforce Respond to Economic Change
Between 1998 and 2008 there were almost 28,000 job losses in the Cheshire and Warrington economy (during a period of economic growth and prosperity) with further losses reported post this period. The need to equip people affected by redundancy with the skills needed by employers is therefore pressing.
There has been a marked change in the occupational profile of employment in Cheshire and Warrington between 2005 and 2012, including significant losses in process, plant and machine operative and administrative and secretarial occupations but growth in caring, leisure and other service and associate professional and technical occupations. In some instances, workers will be required to seek work in new sectors as well as new occupations reflecting changes in the overall economic base. Such changes may require workers to either refresh their existing or develop new skills sets to meet employer requirements. Delivering this element of the programme will require oversight to be maintained of other activities supported through the programme as well as wider economic change.

Reducing Economic Inactivity

In the year to March 2013, 115,200 of Cheshire and Warrington’s residents aged 16-64 were economically inactive (21% of the total). Many of these people will be inactive for valid reasons but there are opportunities to support a proportion of this group who are willing and able to work to access employment. As is the case with the unemployed, low skills levels may present a barrier to employment within this group as around half do not hold at least a Level 2 qualification, which is increasingly a pre-requisite for employers.

When the inactive are coupled with unemployment levels in early 2013, 133,000 adults in the sub-region were experiencing some form of worklessness, impacting on both their individual circumstances and the economic well-being of Cheshire and Warrington as a whole. This is in addition to disengagement of young people, with approximately 1,800 young people not in education, employment or training in 2012.

A package of interventions is therefore required to support those who are out of work, for a variety of reasons, to assess the support they need to either access employment for the first time or access a new role.

Objectives

The primary objective of this Priority Axis is to:

Support people who are outside employment to make progress towards and access work, including self employment.

Eligible activities by Investment Priority area

These investment priorities were part of the original strategy and as such have been retained. In fact, the funding and targets for the ESIF programme follow National Guidelines and are not allocated against these Investment Priorities – although in the case of ESF the Investment Priorities tend to mirror the Priority Axes.

Activities under this Priority Axes are designed to complement mainstream support services and are expected to fall under the following categories:

The following eligible activities will be supported under Investment Priority 10: Young People:

- Brokering opportunities between young people and local employers to encourage work placements, apprenticeships and direct employment in growth, emerging and high employment sectors (e.g. food and drink and waste);
- Promoting opportunities for apprenticeships, traineeships and other specialist and general vocational training for young people, particularly those linked to priority growth sectors/smart specialisations (including advanced manufacturing) to both young people, adults and employers and ensuring high quality information, advice and guidance is offered in this area;
• Innovative activities to support disengaged young people to enter and progress in the labour market, including those with poor literacy and numeracy skills and with no or few qualifications; and

• Activities that focus on increasing participation in subjects in most demand by employers, alerting young people to employment opportunities and skill needs, for example in STEM subjects, and go on to equip people with these skills.

The following eligible activities will be supported under Investment Priority 11: Helping People Back Into Work:

• Providing more intensive support (including through multi-agency approaches) than available through mainstream sources to help people in greatest need to move towards, enter and progress in work;

• Promoting self employment, entrepreneurship and enterprise as routes out of worklessness and supporting people to take the steps forward to achieve this;

• Offering new approaches to work experience and training to support people to move towards and enter employment in growth, emerging and existing high employment sectors;

• Supporting people to re-skill and re-train in response to local employment opportunities, particularly for those facing redundancy and older workers;

• Support for local and/or community based approaches to skills development where they can help to increase levels of engagement;

• Support for health and social care skills provision.

• Support for people to physically access employment opportunities through sustainable transport initiatives;

• Activities that support greater equality in the labour market;

• Supporting graduate access to employment initiatives that support access to appropriate skilled roles or self employment.

**Target beneficiaries**

Target groups for this Priority Axis are Cheshire and Warrington residents who are:

• Job seekers;

• Economically inactive (i.e. not actively seeking to engage in economic activities);

• Disengaged young people, e.g. young males;

• The under-employed (including people on zero hours contracts and the underutilisation of skills);

• Out of work graduates;

• Groups facing particular barriers to accessing work, including:
  - People from households with multi-generational worklessness
  - Older people
  - People affected by redundancy
  - People with disabilities
  - People with caring responsibilities
  - Women
  - Ethnic minorities
  - Lone parents
  - Ex-offenders
  - Ex-forces
Finance

An ESF allocation of £20.16 million is available for investment under this Priority Axis. Activities will be supported up to a maximum 50% intervention rate with match funding sources to include the SFA and DWP opt-in offers.

The Funding allocations in this table have been updated in April 2016 and follow the Priority Axes numbering and sub-categories agreed as the final approach for Cheshire & Warrington. In some cases these differ slightly from the sub-categories set out in this strategy which was originally developed in 2014. The text of the strategy has broadly remained unchanged to ensure that its logic chain and integrity remain intact. The £m allocations will vary according to exchange rates. The programme was working to a £0.78=€1 when this document was updated.

<table>
<thead>
<tr>
<th>ESF PA 1.1 and 1.2: Promoting Employment for Adults and &amp; Young People – Finance</th>
<th>£m</th>
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<tr>
<td>ESF</td>
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<td>Total</td>
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| ESF PA 1.1 and 1.2: Promoting Employment for Adults and & Young People – Finance – Split by Investment Priority |
|---|---|
| | IP10 (1.2) | IP11 (1.1) |
| ESF | 6.28 | 13.88 |
| Match | 6.28 | 13.88 |
| Total | 12.56 | 27.76 |

Targets

Activities supported under ESF Priority Axis 1.1 and 1.2 are expected to contribute to the following output targets and results indicators:

This has been updated in 2016 and no longer sets out targets by the Investment Priority areas shown above.

| ESF PA 1.1 and 1.2: Promoting Employment for Adults and & Young People – Targets |
|---|---|---|
| | R1 | R2 | R3 |
| Unemployed participants into employment (including self-employment) on leaving | 2699 | 1445 | 701 |
| Inactive participants into employment, or job search on leaving | 322 | 1,023 |

Totals may not add due to rounding.