

Report of the Assistant Director for Employment
Economy, Skills and Transport Scrutiny Committee

14 September 2017

1 Purpose of the Report

- 1.1 This report provides a summary of activities and initiatives being undertaken to support the delivery of the Council's Jobs and Skills priorities. Committee wished to examine and review the work of the Council's Employment Service which is concerned with ensuring that local residents are able to access quality training, apprenticeships, reskilling and employment opportunities linked to economic growth.
- 1.2 A summary of employment and skills priorities being driven through the West Midlands Combined Authority is captured in section 4 of the report followed by a summary of data and the impact being made in respect of the numbers of workless households.

2 Background

- 2.1 The latest Unemployment Briefing (August 2017 attached) reported that the number of people defined as claimant unemployed in Birmingham decreased by 436 in July to stand at 31,513 (6.2%). Seasonally adjusted unemployment also decreased in the WM region (3.1%) and in the UK (2.4%). Unadjusted unemployment decreased in 24 of Birmingham's 40 wards between June and July 2017.
- 2.2 Youth (18-24) unemployment saw a slight decrease in July, to stand at 6,255. The number of working age Birmingham residents in employment increased by 8,700 between Q4 2016 and Q1 2017. The employment rate increased by 1.1 percentage points to 64.5%, the highest rate for over a decade.
- 2.3 In order to tackle the city's high claimant count and employability challenges the Council's Employment Service continues to work strategically with the Local Enterprise Partnership and WM Combined Authority. Furthermore, engagement with a range of local and national partners including DWP (local Jobcentre Plus), Further and Higher Education institutions, the National Careers Service, Welfare to Work providers, charities and the private sector is assisting in:
 - Promoting joint working and better co-ordination of services to employers and employees
 - Supporting targeted employability initiatives to help Birmingham residents secure sustainable employment
 - Maximising employment and training outputs from major regeneration and development schemes in Birmingham and the region
 - Securing funding and commissioning locality-specific outreach, employability and upskilling programmes to increase the engagement of unemployed people in disadvantaged areas.
- 2.4 The Birmingham Skills Investment Plan (BSIP) was released and adopted by the Council last year providing an employer-led statement of current and future skills needs in the city linked to jobs and economic growth. The BSIP aims to address the whole range of issues which contribute to the mismatch between the supply and employer demands for skilled personnel. Importantly, the Plan is intended to ensure that no-one gets left behind and that Birmingham's employment and skills challenges are front and centre of both the West Midlands Combined Authority and Midlands Engine for Growth employment and skills strategies. Furthermore, the BSIP promotes the case for an integrated approach to employment and skills support providing a clear offer for individuals and for businesses.
- 2.5 The BSIP is a 10-year plan focused on closing the skills gap to meet the needs of businesses and residents. The transfer of power and influence away from government (Education and Skills Funding Agency) to the Combined Authority Mayor will, in the fullness of time (estimated to be 2019/20 for full devolution), open the door for local authorities and the LEPs to take a stronger role in influencing the deployment, funding allocations and outcomes associated with Adult Education Budget (AEB) spending plans.

- 2.6 In July 2015 the then, Department for Business Innovation and Skills, launched its programme of post-16 area-based reviews of school sixth forms and further education colleges paving the way for 'fewer, and often larger, more resilient and efficient providers.....creating institutions that are genuine centres of expertise, able to support progression up to a high level in professional and technical disciplines, while also supporting institutions that achieve excellence in teaching basic skills – such as English and Maths'.
- 2.7 Education and Skills Funding Agency (published) allocations for Birmingham and Solihull local colleges (including BCC's Adult Education Service) 2016/17 totalled circa £78m composed of Adult Education Budget, Adult and 16-18 Apprenticeships/Traineeships and Advanced Learning Loans facility and bursary funding.
- 2.8 The above allocation excludes AEB commuted to private sector and other providers in the delivery of skills/qualifications for the benefit of Birmingham residents. It is therefore essential that the Council maintains strong, effective partnerships and joint working arrangements with those organisations who are the custodians of skills budgets to positively impact the skills gaps prevalent in Birmingham's working age population and particularly those who are un/underemployed. While there has been some advances in the proportion of residents with qualifications at Level 2 and above, the pace and scale of improvement is still lagging behind Core Cities and UK averages. Birmingham bucks the national trend for *Other qualifications* and is likely to be related to increased immigration and qualifications gained overseas that are not easily classified using the NVQ framework.

Qualification levels aged 16-64	2011		2016		Change 2011-2016	
	Number	%	Number	%	Number	%
NVQ4+	171,800	25.1	230,400	32.3	58,600	34.1
NVQ3+	287,800	42.0	344,900	48.4	57,100	19.8
NVQ2+	404,800	59.1	454,900	63.9	50,100	12.4
NVQ1+	497,500	72.7	527,300	74.0	29,800	6.0
Other qualifications	71,200	10.4	83,600	11.7	12,400	17.4
No qualifications	116,000	16.9	101,400	14.2	- 14,600	-12.6

3 Council-led Projects and Programmes

Those in employment are better qualified than those who are workless	
No qualifications leads to poor employability	In work = 8% Not in work = 27%
Higher qualifications provide higher prospects of sustained employment	NVQ3+ In work = 62% Not in work = 35%
Low skills leads to high unemployment	Birmingham rate - 6.2% Core city average - 4.2%
Birmingham citizens are not taking advantage of the jobs in the city	Employed residents in higher occupations - 42% Workers in higher occupations - 47%
Birmingham residents earn less per week than those who work in the city	Birmingham residents - £497 City workers £544

- 3.1 **Step Forward** was initiated by the Cabinet Member for Jobs and Skills in a direct response to closing the skills gap recognising that many low skilled workers are in employment, to make skills and career progression – including to higher level vocational skills – the norm and to support productivity increase. Aligned to the WMCA and LEP strategies, Cabinet approved the Step Forward initiative on 14 February 2017 following a seal of approval from the GBSLEP Skills board on 23 January 2017. Step Forward

launched on 27 March 2017 with 25 employers in attendance and 6 businesses made a commitment signing up to the Pledge: Hammerson, Barclays, Carillion, Hydraforce, Better Pathways and Birmingham Metropolitan College.

- 3.2 Employers are continuing to sign the pledge and recent signatories include Laing Murphy Joint Venture, Seddon, Solihull College, Federation for Small Businesses, South and City College Birmingham. Discussions are also underway with further businesses to sign up to the pledge including Acivico, Willmott Dixon, Serco, ISG, Jaguar Land Rover and Ocado.
- 3.3 ACAS is now formally endorsing Step Forward alongside Greater Birmingham Chamber of Commerce and CIPD, and we are working alongside these partners to deliver programme of promotional activity to members including e-newsletters, website links and events.
- 3.4 Step Forward brings together up to date information on skills, training and funding available in one place on the GBSLEP Growth Hub website (www.gbslepgrowthhub.co.uk/step-forward). Employers can access a Toolkit alongside support from an Advisor who will signpost, refer and develop an Action Plan to upskill their workforce.

Case Study – Hammerson (Bullring/Grand Central)

- 'Where Learning' platform available for directly employed staff and key service providers with information on minimum and mandatory training requirements. Offering opportunities to further develop skills through the Core Skills Training Programme, in line with career progression and business needs, with a focus on ensuring all staff are qualified to Level 2 as a minimum.
- Following consultation with tenants a bespoke programme of training is being delivered in partnership with Solihull College to get local people into the retail and hospitality industry, targeted at Youth Promise Plus candidates; raising the bar for customer service and promoting careers in the industry.
- Analysis of the skills gaps within the retail and hospitality sectors is being undertaken to identify potential training and development opportunities at a higher level relating to management and supervisory roles as well as further promotion of the benefits of apprenticeships to employers.
- Promotion of Step Forward to tenants and service providers.

- 3.5 Further promotion of Step Forward will take place with a direct mailshot to Birmingham based businesses, as well as ongoing promotion through direct engagement with businesses and partner organisations including BC4SR signatories and service providers. The impact of Step Forward will be tracked by the re-established and private sector-led, **Birmingham Employment and Skills Board**.
- 3.6 In July/August 2017, a series of consultative Employment and Skills Summits were held with a view to re-energising and streamlining the localised District Jobs and Skills approach. As a result of that process in September 2017, the Council will be facilitating the launch of **4 Local Employment & Skills Boards** in East Birmingham, North Birmingham, South Birmingham and West & Central Birmingham. Each of these boards will be led by local delivery champions drawn initially from locality provider agencies engaged in the Birmingham & Solihull Youth Promise Plus initiative (Pioneer Group, Prospects Services, People Plus) and established community organisations/ consortia (Witton Lodge Community Association/ Erdington Works). Specialist support will also be negotiated through partnership arrangements with The Prince's Trust. Each local board will be an action driven forum for joint working to create employment progression routes for local people and will have a direct reporting line into the Birmingham Employment & Skills Board under the GBSLEP structure.
- 3.7 **The Birmingham Jobs Fund** completed four successful years of operation at the end of 31 March 2017. The Fund directly supported 4,527 16-4 year olds secure jobs and apprenticeships. The programme continued its trend and managed to achieve over 1,000 job entries in its final year. Analysis of all-years total performance (jobs and apprenticeships) take-up by District ranks Hodge Hill (699) in first place, followed by Erdington (600), Ladywood (537) and Hall Green (460). Apprenticeships made up 80% of the all-years total performance. The number of young people from the hard to reach priority wards (Sparkbrook, Bordesley Green, Washwood Heath, Aston, Nechells, Soho and Lozells & East Handsworth) made up 27% of the total all-years performance. The sector analysis for last year (2016/17) shows that Nurseries & Childcare was the top performing sector (employing 15% of all young unemployed adults) followed by Health & Social Care (14%).

- 3.8 The Council on behalf of the LEP has successfully completed delivery through a **joint investment plan with the Construction Industry Training Board**. The Birmingham project ran from 1 June 2015 to 31 March 2017 and exceeded all targets; supporting 545 participants into accredited training (target 250) of which 101 were NEETS / long term Unemployed (target 50); 315 participants went into jobs (target 150) including 55 apprenticeships (target 10). Additionally the project worked with 36 construction SMEs to support the acquisition of industry-led higher level skills in leadership and management. South & City College Birmingham were commissioned by the Council and Kier Construction to support 8 care leavers and ex-offenders with sector-based employability skills. 50% of the group have been offered employment and relinquished their NEET status and welfare dependency, as a result.
- 3.9 Engagement with employers through the **City's procurement framework** contracts continues through the Service's employer-facing, Employment Access function (EAT). We are currently working with 3 contractors on the Gas Repairs and Maintenance Framework, 5 contractors on Acivico's CWM framework, S106 for Circle Hospital, 3 Snow Hill, Paradise and Royal Centre for Defence as well as one contractor on the Transportation Framework. The following outputs have been achieved for the period 1 April 2016 – 31 March 2017:
- Person weeks (of employment) = 13,613
 - Jobs = 181
 - Apprenticeships = 122
 - Work experience = 419
 - Jobs safeguarded = 164
- 3.10 Working alongside the Planning Division within Economy we ensure that the **Planning Protocol for Jobs and Skills and associated Targeted Recruitment and Training (TRT) contract clauses** are embedded as an integral part of planning agreements in relation to significant development, ensuring that both construction and end use jobs are secured and targeted at local people.
- 3.11 Where developments are deemed to be of significant size (>10 jobs being created) and value; employment conditions are implemented either through a specific Section 106 agreement or alternatively through planning conditions. For construction, this is based on a formula of 60 person weeks per £1m construction costs; for end use this is based on the type of jobs available and a percentage of the total new workforce to be recruited. In 2014, this process was formalised and we receive formal notification of all planning application submitted over 1,000 sqm.
- 3.12 As part of the conditions, there is a requirement for the developer to agree an Employment Method Statement, outlining how they are proposing to achieve the TRT outcomes which focus on new jobs, apprenticeships, graduate placements and work experience placements. The developer can access the full range of support available through the Employment Access Team and develop bespoke programmes where appropriate.

Case Study: Colmore Tang

Colmore Tang have 6 developments currently under construction, with a construction value of approximately £100m with more development due to start on site over the next 12 months; and have a person weeks target of 6,000 through a combination of S106 agreements and planning conditions. Colmore Tang are a relatively new company operating in Birmingham with some challenging TRT outcomes to achieve. The EAT is working closely with the management team to support them to identify suitable opportunities on site and implement the required data gathering systems to record progress. This includes supply chain events to engage their subcontractors, provision of work placement opportunities, apprenticeships, graduate placements and recruitment to new vacancies on site. To date they have achieved 4,800 person weeks. This includes the successful placement of a scholar from the Building Birmingham Academy programme who impressed managers during a summer placement and was offered a permanent role as a Trainee Engineer/Assistant Site Manager. Colmore Tang also recruited an unemployed Stockland Green resident to their Site Administrator post.

Case Study: Arena Central

The first phases of Arena Central did not include employment conditions as part of the planning approval and there has been little engagement with the developers to date. With Phase 3, EAT received advanced notification of the planning application and ensured TRT outcomes were agreed as part of the planning conditions.

Galliford Try, the developers leading the construction, is keen to engage and committed to achieving the agreed outcomes, with discussions already underway with EAT to develop a joint approach. With construction due to start in February 2018, they are already looking at how to engage their supply chain and including specific clauses within their contracts, and provided details of where the opportunities are to be generated from.

Case Study: 3 Snow Hill

A £90m development due to be completed in March 2019, delivered by BAM construction, who have worked closely with EAT to deliver against their employment target of 5,400 person weeks.

A. Ali has recently started working on 3 Snow Hill. After graduating from University he found it difficult to get a job in the sector, he joined a voluntary 12 week Prince's Trust programme which gave him further insight into construction and access to lots of employers in the sector. A. Ali attended an open day and after securing an interview was offered a job with a civil engineering company in Aston. After 6 months his contract came to an end and following a further period of unemployment was matched to an Assistant Site Manager position with Thames Formwork Ltd, working on 3 Snow Hill.

Case Study: Circle Hospital

The Circle Hospital is a £20m development which will be completed in September 2018 and has a target to achieve 1,200 person weeks during the build. The developer Simons Group have committed to providing 150 work experience placements to Youth Promise Plus (unemployed/NEET 16-29 year olds) candidates interested in exploring a career in construction, with one of the early candidates being recruited on site and supervising the work placements.

- 3.13 The Council's Employment Service has fulfilled its role as the lead sponsor and accountable body for the (capital build) new **National College for High Speed Rail (NCHSR)** which opens its doors to learners on 27 September 2017 for Level 3+ qualifications. The college is an essential component within the Midlands HS2 Growth Strategy and offers the opportunity for Birmingham citizens to nurture and develop the necessary skills to meet the demand from employers required to build, run and maintain HS2 and furthermore; take advantage of access to employment sites and jobs from improved connectivity and complimentary regeneration plans at Curzon and Washwood Heath in East Birmingham. Through CWM and working with lead contractor Willmott Dixon and their supply chain, the Council supported a range of social value commitments including; visits to site by 488 school and college students; 24 university research projects supported; 110 weeks of work experience delivered; 18 existing apprentices and 5 project initiated apprentices have worked on site; created 13 new jobs for local people; 45% of project related spend (£8.4m) has been within a 10 mile radius of the site.
- 3.14 The Council's Employment and Adult Education Services have joined forces to design and implement **access training providing feeder pathways and progression routes to jobs being created by HS2's investment programme**. Citizens living in unemployment hotspots, under-represented groups and individuals with no or low qualifications are being specifically targeted for support. The first programme will be delivered in East Birmingham in an effort to raise the profile and awareness of HS2 jobs and to commence the process of readying local communities for emerging jobs at HS2's rolling stock and maintenance depot in Washwood Heath.
- 3.15 Running for 2 financial years until March 2017, the **Youth Promise Devolved Fund** supported 16 community-focused projects in key target localities selected through an open grant application process. The fund focused on supporting NEET young people (16-24 year olds) around re-engagement into education and training, and ultimately to develop routes into sustainable employment. The total of project grants made under the fund was £551,519 and outputs included 939 young people engaged, 211 young people entered accredited training and 193 securing employment.

- 3.16 **Destination Work** launched in October 2014 demonstrated some significant success with coach/mentoring support offered to 18-24 year old JSA claimants in Washwood Heath, Perry Barr and Chelmsley Wood Job Centres. 2,276 young people have been supported through engagement with a mentor resulting in a range of positive outputs including 888 sustained job starts. The development and demonstration of effective “tripartite “ working between DWP coaches, Destination Work mentors and participants in job centres trialled through this project has been adopted and built into our current delivery model for the ESF/YEI funded Birmingham & Solihull Youth Promise Plus project.
- 3.17 The **Youth Promise Plus** project currently aims to provide an integrated package of targeted support to engage up to 16,610 NEET young people aged 16-29 and aims to place at least 44% into positive destinations of self/employment, fulltime education, training or apprenticeships. 6,807 young people have already been engaged by the project which is being delivered through a collaborative partnership working with a range of public, private and voluntary sector organisations. This large EU funded project is showing very positive levels of engagement of young people who are disadvantaged in the labour market. The project also has provision to ensure good employment, education and training opportunities are offered, and signatories to the **Business Charter for Social Responsibility** are being engaged to support and supply opportunities for work experience, apprenticeships and jobs. Due to complete in July 2018, the project is operating against a backdrop of tight Managing Authority (DWP) and an EU guidelines which is stopping or slowing programme entry for many young people and this in turn affects the project delivery and finances which is formally being reviewed by the Council against delivery milestones and lifetime targets. Representations have been and continue to be made at the highest levels locally, regionally and nationally to escalate matters and maximise the support that can be provided.
- 3.18 DWP’s **Flexible Support Fund (FSF)** totalling £1.2m commenced delivery in June 2015 and runs to March 2018. Funding was secured to deliver (jointly with DWP) on recruitment services for employers and job preparation services for unemployed jobseekers through 3 project strands. To date FSF has supported 2,485 individuals into training and 3,333 into employment (target 1,732) and the Employment Access Team has developed positive relationships with various employers across a range of sectors and exceeded targeted outputs.

Project Strand	Employers/Sectors/Focus	Related Activity
Project 1: Grand Central Birmingham & HS2 Project 756 people trained	John Lewis Marks & Spencer Park Regis Hotel ,Bella Pasta Retail – various Auctus Grand Central and other City Centre retailers – various Westside BID – Various Hospitality & Catering – various	Pop Up Jobs Shop located at the Pavillions shopping centre
Project 2: Work Local Project 449 people trained	City Serve Warehousing	Support for Lone Parents Partnership activity with Smart Works – Northfield Community Partnership
Project 3: Sectors and BME Project 1,280 people trained	FLT Training & License Construction/CITB BAES ESOL++ (English Works) National Express Sigma Extra Energy Scania Housing Needs Officers	Work Experience - employer facing promotional campaign

4 West Midlands Combined Authority

- 4.1 The Assistant Director for Employment is a member of the WMCA (Local Authorities) Employment and Skills Group which acts as a reference and consultative forum in the formation of policy and in the design and implementation of CA employment and skills interventions.

Essential progress is being made by the West Midlands Combined Authority in the field of employment and skills policy and programme design specifically in the areas of:

Productivity and Skills Commission
Innovative Pilot for the hardest to help
Devolution of the Adult Skills Budget
Co-design of the Work & Health Programme

Work has been accelerated in these areas to meet timescales associated with government department decision-making and commissioning timetables.

- 4.2 The WMCA Productivity & Skills Commission launched on 5th April 2017 with a Call for Evidence. As part of the ambition for developing growth and productivity in the West Midlands, the Call for Evidence was designed to invite feedback and inform thinking on what is holding back the region in terms of productivity and skills and what the practical actions are that WMCA can take to address this.

Thirty five responses to the Call for Evidence were received from a wide range of stakeholders including businesses and business representative groups, Further and Higher Education, local authorities (including BCC), LEPs and Think Tanks. The responses provide a wealth of information that the Productivity and Skills Commission can use to better understand productivity and skills issues in the region and the actions that are or should be taken to address these issues.

The Technical Reference Group will be reviewing the detailed responses to the Call for Evidence and based on this, the detailed data analysis and rapid evidence review will be producing reports on each of the five drivers to feed in to the vision for Productivity & Skills, to be agreed by the Commission in Autumn 2017.

- 4.3 In communities with high levels of worklessness, it has been shown that people cope better with unemployment due to social support. The WMCA employment support pilot will evaluate what the role of social support is in relation to employment and whether social capital can be developed to create and adapt social networks to support employment as the norm. The approach builds on lessons learned particularly from the US Jobs Plus model which included an element on Community Support for Work (CSW). The rationale for Community Support for Work (CSW) rested on a growing appreciation of social capital to individual and community well-being.

Birmingham is unique in that it will benefit from 2 pilot areas; Washwood Heath and Shard End. The locations for the pilots were formally approved at the WMCA Programme Board on 8 September 2017. The pilots will contain the following elements

- a) *A place-based 'saturation' approach – focusing on those who are out of work but also working with those in work on low incomes*
- b) *Pre and post-employment job coaching delivered in neighbourhoods – i.e. within or adjacent to housing estates, the rationale being that an in-location service would find it easier to engage local residents, including those in employment in low-paid work*
- c) *Using social networks to promote employment – this is the idea of 'community support for work', the rationale being that information about work opportunities coming from peers and neighbours can help strengthen residents' work-related norms*

- 4.4 In the context of devolution it is important that, where the Combined Authority has stated that it will achieve better outcomes through the opportunity that devolution provides to join up funding and activity on the ground, it should take the opportunity to do so. It was agreed by WMCA Board in January 2017 that a proportion of devolved Adult Education Budget will be directly aligned with the employment support pilot. Initial discussions with representatives from Further Education Colleges and Adult Education Services on what could be delivered to support the pilot have been around the possibility of

building on the Learning & Work Institute's activity to develop a 'Citizen's Curriculum'; an innovative, holistic approach to ensure everyone has the English, maths, digital, civic, health and financial capabilities that they need. During the feedback session on the draft business case, government were very interested in this aspect of the proposal and suggested that it be identified as a key element of innovation within the pilot.

- 4.5 The Adult Education Budget (AEB) which combines all Skills Funding Agency *participation and support funding* (not including European Social Fund, Advanced Learner Loans and apprenticeships). Its principal purpose is to engage adults and provide the skills and learning that they need to equip them for work, an apprenticeship or further learning. It also enables more tailored programmes of learning to be made available, which do not need to include a qualification, to help those furthest from learning or the workplace.

AEB funds a number of statutory entitlements. Responsibility for ensuring that statutory entitlements continue to be delivered is likely to be transferred to the Mayor. AEB funds activity in Further Education (FE) Colleges, Local Authority Adult & Community Learning services and, at a much smaller scale, through private training providers.

WMCA is co-ordinating and working collaboratively with FE Colleges and Local Authority Adult & Community Learning services to analyse current provision and develop a commissioning framework in preparation for full devolution of funding. They are also working closely with the Department for Education on the practicalities involved in devolving the funding to the region estimated to be approximately £100m.

- 4.6 DWP will not be directly replacing the Work Programme or Work Choice contracts. Instead they will be commissioning a new programme called the Work & Health Programme. The Work & Health Programme is a much smaller programme than the Work Programme and is aimed at claimants with health conditions or disabilities and those unemployed for over two years. Those with a health issue or disability may volunteer for the programme at any time but must be able to demonstrate that they require support over and above that which can be provided by Jobcentre Plus and that they will be able to secure employment within a reasonable period of time.

The Work & Health programme will cover all areas of England and Wales. The WMCA had an enhanced role in the co-design, of the programme. The contract package area that WMCA will sit within will cover the entire DWP Central England area although there will be a specific schedule relating to WMCA. The programme is due to go live in Autumn 2017. Discussions are underway regarding the role of CA in contract monitoring and performance management.

5 Effectiveness and Impact - Workless Households

- 5.1 Monthly, quarterly and annual unemployment and skills data can be a measure of the impact of employability and skills programmes and figures provided in section 2 of the report provides a snap shot and overview of current rates. Post-recession, the Council has been operating within a challenging budgetary environment and much of the work undertaken by the Employment Service to meet BCC's Jobs and Skills priorities has and continues to utilise external funding resources.
- 5.2 The Service is currently exploring further EU Funding opportunities to support the delivery of inclusive labour market and employer support programmes that would advance the employability and job prospects of Birmingham residents, particularly those from vulnerable groups and individuals with additional support needs. While resources are available within the GBSLEP's ESIF allocation, the issue of eligible match funding remains a significant challenge for the Council and external partners. However, work is in progress to bid for a further
- 5.3 Workless Households (*see tables below*)

The latest official ONS data on workless households shows that in 2016 there were 61,300 workless households in Birmingham, which accounts for 18.2% of all households in the city. **The city has a lower rate of workless households than the core city average and the West Midlands Combined Authority area** (both 19.6%).

The city has seen a large fall in the number of workless households in recent years. Between 2012 and 2016 there has been a **reduction of 32,500 workless households** in the city, a fall of over a third in the total (-34.7%). Over this period the city has seen **a larger fall in workless households than the UK (15.7%), the WMCA (16.6%) and all of the 10 UK core cities bar Bristol**. The majority of the reduction in workless households in the city occurred between 2015 and 2016 with a fall of 20,900 in the number of workless households in this year.

5.4 Children in Workless Households

The latest official ONS data on workless households shows that in 2016 there were 46,400 workless households with dependent children in Birmingham, which accounts for 13.8% of all households in the city. The city has a higher rate of workless households with dependent children than the core city average (10.7%) and the West Midlands Combined Authority area (13.0%). This is in part due to the fact the city has a higher share of young people than the other areas with over 25% of the city's population being under 18 well above the corresponding average for the core cities (21.2%).

The city has seen a large fall in the number of workless households with dependent children in recent years. The recession saw a sharp rise in the numbers, which peaked in 2012. Between 2012 and 2016 there has been a reduction of 25,300 workless households with dependent children in the city, a fall of over a third in the total (-35.3%). **Over this period the city has seen a larger fall in workless households with dependent children than the UK (20.4%), the WMCA (17.2%) and all of the 10 UK core cities bar Bristol. The majority of the reduction in workless households with dependent children in the city occurred between 2015 and 2016 with a fall of 10,800 in the number of households in this year.**

Data from the Department for Work and Pensions (DWP) on the number of children in out of work households shows that in 2015 (latest available) there were 68,040 0-18 years olds in Birmingham who lived in a household where at least one parent or guardian was in receipt of one of the following benefits on the 31st May in the reference year:

- Jobseeker's Allowance,
- Income Support
- Employment and Support Allowance
- Incapacity Benefit/Severe Disablement Allowance
- Pension Credit

Universal Credit (UC) is **not** included in these statistics.

This accounted for 22.5% of all 0-18 year olds in the city. This was the 5th highest proportion amongst the core cities and slightly above the core city average of 21.3%. The city has seen a large fall in the number of children in out of work households between 2012 and 2015 with the number falling by over 13,000 (-16.2%), a slightly greater fall than across the core cities, which saw a 15.7% reduction.

6 Recommendation

6.1 Committee is requested to note the contents of the report.

Workless Households - Core Cities 2012 - 2016														
Area	2012		2013		2014		2015		2016		Change 2012 to 2016		Change 2015 to 2016	
	number	%	number	%	number	%	number	%	number	%	Number	%	Number	%
Birmingham	93,800	27.4%	88,700	25.9%	82,900	23.2%	82,200	23.3%	61,300	18.2%	- 32,500	-34.6%	- 20,900	-25.4%
Nottingham	28,300	26.5%	31,900	30.1%	23,900	23.1%	24,500	22.4%	25,400	23.0%	- 2,900	-10.2%	900	3.7%
Newcastle	25,500	25.4%	26,400	26.7%	22,400	22.5%	23,400	23.5%	22,300	23.0%	- 3,200	-12.5%	- 1,100	-4.7%
Liverpool	46,000	28.7%	42,500	27.4%	48,900	30.3%	45,900	28.8%	39,300	24.2%	- 6,700	-14.6%	- 6,600	-14.4%
Manchester	49,000	26.1%	46,200	24.3%	44,600	24.2%	42,700	22.8%	42,500	22.4%	- 6,500	-13.3%	- 200	-0.5%
Glasgow City	69,400	30.3%	71,700	30.0%	59,100	26.7%	56,600	25.4%	58,100	25.0%	- 11,300	-16.3%	1,500	2.7%
Bristol	27,800	19.1%	25,400	17.3%	24,100	16.2%	18,700	12.4%	17,300	11.5%	- 10,500	-37.8%	- 1,400	-7.5%
Cardiff	23,400	20.5%	19,100	16.8%	19,700	17.0%	21,100	18.2%	20,900	17.7%	- 2,500	-10.7%	- 200	-0.9%
Leeds	52,300	19.3%	54,600	19.8%	54,600	19.8%	41,200	15.4%	37,100	14.2%	- 15,200	-29.1%	- 4,100	-10.0%
Sheffield	40,300	21.1%	32,500	16.9%	36,700	18.1%	37,500	19.3%	37,400	19.9%	- 2,900	-7.2%	- 100	-0.3%
Core City Average	455,800	24.7%	439,000	23.6%	416,900	22.3%	393,800	21.2%	361,600	19.6%	- 94,200	-20.7%	- 32,200	-8.2%
UK	3,759,800	18.2%	3,566,600	17.3%	3,386,200	16.4%	3,213,900	15.5%	3,168,600	15.3%	- 591,200	-15.7%	- 45,300	-1.4%
West Midlands Region	350,600	19.5%	341,600	19.2%	326,600	18.2%	306,100	17.3%	291,300	16.4%	- 59,300	-16.9%	- 14,800	-4.8%
WMCA (7 Mets)	203,200	23.7%	200,200	23.2%	192,400	21.8%	187,500	21.5%	169,400	19.6%	- 33,800	-16.6%	- 18,100	-9.7%

Source: ONS/APS households by combined economic activity status

Workless Households with Dependant Children - Core Cities 2012 - 2016														
Area	2012		2013		2014		2015		2016		Change 2012 to 2016		Change 2015 to 2016	
	number	%	number	%	number	%	number	%	number	%	Number	%	Number	%
Birmingham	71,700	20.9%	69,900	20.4%	58,200	16.3%	57,200	16.2%	46,400	13.8%	- 25,300	-35.3%	- 10,800	-18.9%
Nottingham	15,200	14.2%	17,800	16.8%	17,000	16.4%	13,600	12.4%	13,600	12.3%	- 1,600	-10.5%	-	0.0%
Newcastle	12,800	12.8%	10,200	10.3%	8,100	8.1%	10,400	10.5%	8,500	8.8%	- 4,300	-33.6%	- 1,900	-18.3%
Liverpool	26,300	16.4%	29,600	19.1%	28,100	17.4%	27,900	17.5%	20,100	12.4%	- 6,200	-23.6%	- 7,800	-28.0%
Manchester	33,700	17.9%	30,500	16.1%	25,900	14.1%	28,500	15.2%	23,800	12.5%	- 9,900	-29.4%	- 4,700	-16.5%
Glasgow City	25,100	11.0%	24,100	10.1%	24,500	11.1%	25,700	11.5%	20,700	8.9%	- 4,400	-17.5%	- 5,000	-19.5%
Bristol	17,600	12.1%	16,600	11.3%	14,400	9.7%	10,800	7.1%	10,900	7.2%	- 6,700	-38.1%	100	0.9%
Cardiff	15,000	13.1%	11,800	10.4%	11,200	9.6%	11,000	9.5%	14,100	12.0%	- 900	-6.0%	3,100	28.2%
Leeds	22,100	8.2%	23,300	8.4%	30,900	11.2%	21,600	8.1%	16,600	6.4%	- 5,500	-24.9%	- 5,000	-23.1%
Sheffield	21,400	11.2%	14,900	7.8%	21,200	10.4%	23,900	12.3%	22,400	11.9%	1,000	4.7%	- 1,500	-6.3%
Core City Average	260,900	14.1%	248,700	13.4%	239,500	12.8%	230,600	12.4%	197,100	10.7%	- 63,800	-24.5%	- 33,500	-14.5%
UK	1,961,400	9.5%	1,904,600	9.2%	1,773,200	8.6%	1,624,800	7.8%	1,560,300	7.5%	- 401,100	-20.4%	- 64,500	-4.0%
West Midlands Region	197,600	11.0%	218,100	12.3%	194,500	10.8%	179,000	10.1%	163,700	9.2%	- 33,900	-17.2%	- 15,300	-8.5%
WMCA (7 Mets)	140,100	16.4%	148,400	17.2%	128,300	14.6%	126,600	14.5%	112,200	13.0%	- 27,900	-19.9%	- 14,400	-11.4%

Source: ONS/APS households by combined economic activity status

Children Living in Out of Work Benefit Households -Core Cities 2015								
Area	2012	2014	2015		Change 2012-2015		Change 2014-2016	
			Number	%				
Birmingham	81,170	72,780	68,040	22.5%	-13,130	-16.2%	-4,740	-6.5%
Nottingham	21,170	19,680	17,780	24.7%	-3,390	-16.0%	-1,900	-9.7%
Newcastle	14,260	13,140	12,370	20.3%	-1,890	-13.3%	-770	-5.9%
Liverpool	29,940	27,500	25,290	25.8%	-4,650	-15.5%	-2,210	-8.0%
Manchester	36,840	33,440	30,050	23.7%	-6,790	-18.4%	-3,390	-10.1%
Glasgow	33,690	30,360	28,230	24.1%	-5,460	-16.2%	-2,130	-7.0%
Bristol	21,630	19,030	17,340	17.6%	-4,290	-19.8%	-1,690	-8.9%
Cardiff	18,020	16,600	15,630	19.9%	-2,390	-13.3%	-970	-5.8%
Leeds	33,440	31,160	29,310	16.8%	-4,130	-12.4%	-1,850	-5.9%
Sheffield	26,280	24,000	22,850	18.5%	-3,430	-13.1%	-1,150	-4.8%
Core City Average	316,440	287,690	266,890	21.3%	-49,550	-15.7%	-20,800	-7.2%
GB	2,523,990	2,178,100	2,008,600	14.2%	-515,390	-20.4%	-169,500	-7.8%
West Midlands Region	270,730	241,370	224,850	16.7%	-45,880	-16.9%	-16,520	-6.8%

Source: DWP WPLS 100% data and HMRC Child Benefit administrative data.