

SHARED INTELLIGENCE



***MERTON
ECONOMIC
WELLBEING GROUP
Employment and Training
Action Plan – 2013 to 2014***



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1 Introduction and Economic Context

- 1.1 In 2009 Merton Council published its Sustainability Community Strategy (SCS), setting out a new vision for Merton's future. The 10-year objective set out in the Plan aims to make Merton 'a great place to live and call home, where citizens take responsibility for their own lives, their neighbours and the environment.'¹ One focus of the SCS was the development of Sustainable Communities across the borough, defined as places with high quality of life, work and learning opportunities, housing services, local environment protection, and an improved ability to move about in and around the borough.
- 1.2 In support of this vision, the revised Economic Development Strategy (EDS) produced earlier in 2012 identified six components of growth necessary to ensure the long-term success of the Merton economy. The EDS set out a number of initial actions for the Council to undertake, one of which was co-ordinating activity to support unemployed residents into work. This Employment and Training Action Plan sets out the actions agreed by the EWG in order to do that.
- 1.3 This Employment and Training Action Plan will provide a framework for the Council and its partners on the Merton Economic Wellbeing Group (EWG) to address the worklessness and skills challenges in the borough. The EWG is a group of agencies from across the borough with an interest in worklessness and skills within Merton who have agreed to plan and co-ordinate interventions to reduce unemployment and increase economic wellbeing.
- 1.4 The first section of the Action Plan sets out the main characteristics of the labour market in Merton in relation to the London labour market, and the relative performance of the borough in comparison with London and England. It identifies the key worklessness and skills challenges that are apparent from an analysis of the data.
- 1.5 Section 2 discusses the policy context within which this Action Plan is being prepared, including the national, regional and local level policy. It also examines the programmes that are currently in operation within Merton and begins to make recommendations as to what the key actions for the EWG should be, providing the basis for discussions with stakeholders about priorities for additional interventions.

Merton's Economy

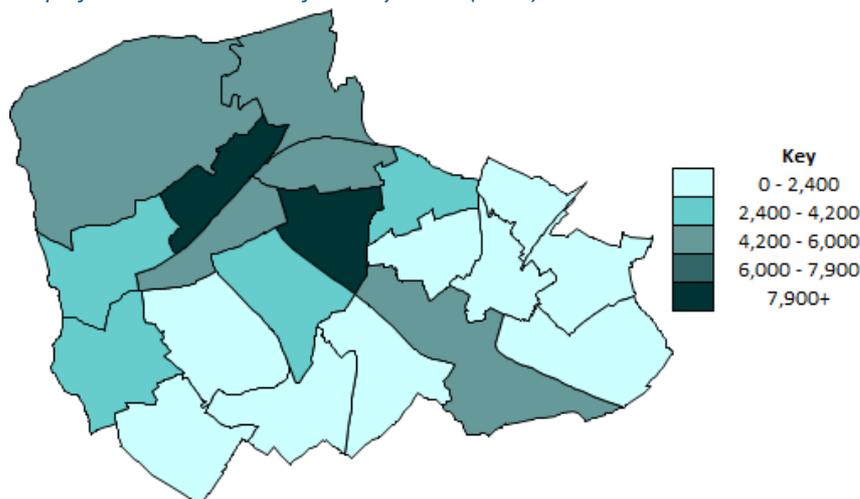
- 1.6 Merton is a relatively prosperous borough in Southwest London, with good transport connections to Central and South London, low levels of unemployment and high average wage levels. However, the aggregate picture masks a high level of disparity between

¹ London Borough of Merton (2009) Community Plan 2009-2019.

different places within the borough. The western half of the borough has excellent transport connections with Central London which has attracted large numbers of skilled workers who value the good commuter links and attractive environment. In comparison, the eastern half of the borough is relatively poorly connected, despite the opening of Mitcham Eastfields and the Mitcham tram stop. Commuting plays an important part in the borough's economy because Merton has relatively few jobs per resident compared to other parts of London, and because access to Central London enables residents to access higher paid employment.

- 1.7 The distribution of jobs within the borough is strongly influenced by differences in transport infrastructure. The majority of employment in Merton is concentrated in the west of the borough, with a particular concentration in the area around South Wimbledon.

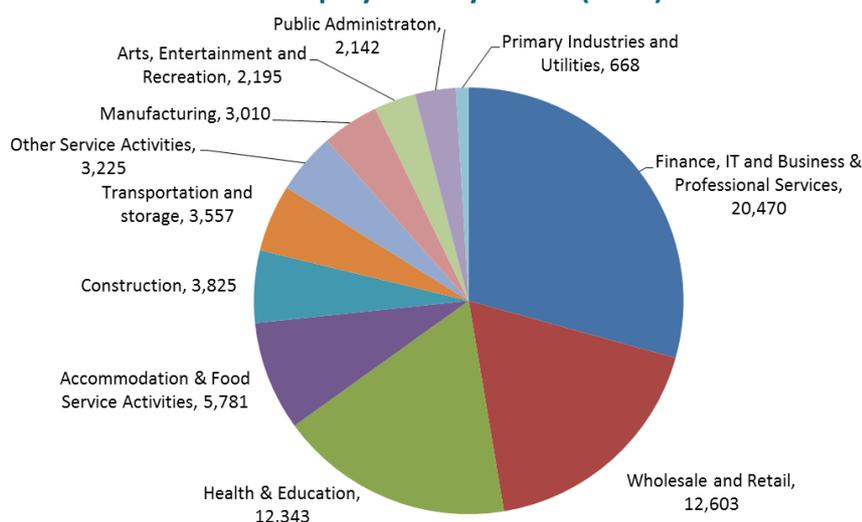
Map of Merton - Number of Jobs by Ward (2010)



Source:ONS Business Register and Employment Survey.

- 1.8 Merton's economy, in common with the rest of London, is dominated by service sector employment. However, Merton has a far lower proportion of employment in financial services, IT and business and professional services compared to London as a whole, and a higher proportion in wholesale, retail and accommodation / leisure services. Construction and manufacturing, though accounting for a low proportion of total employment, account for relatively more jobs in Merton compared with London as a whole. Data on wages suggests that Merton has more employment in lower value sectors compared to London.

Employment by Sector (2010)



- 1.9 Partly as a result of differences in the distribution of transport infrastructure and employment, the western half of the borough is much wealthier than the east, as evidenced by higher house prices. The differences in transport connections and housing prices are both *matched by*, and *influence*, the marked differences in the social conditions and average incomes of residents in the two halves of the borough.
- 1.10 These socio-economic differences include higher rates of unemployment and benefit claimants in the east of the borough compared to the west, lower rates of educational attainment in the east, and lower average skills levels in the east of the borough compared to the west. Merton in general is not particularly deprived, but the areas of deprivation that do exist are located in the east of the borough.
- 1.11 Another important dimension to the borough's economy is the relative economic performance of its five main town centres, these being: Wimbledon, Raynes Park, Colliers Wood, Morden and Mitcham. In the west, Wimbledon is relatively strong, though it underperforms considering the strength of its brand, the high quality of place and the excellent transport connections it has. Colliers Wood is less successful, but it is expected that the physical improvement works that are planned will significantly improve its current performance, and there is evidence of latent demand for investment in the area. Raynes Park is smaller and relatively self-contained but prosperous nonetheless. By contrast Morden's and Mitcham's respective town centres are less successful. Both struggle to attract a sustainable level of spend and Morden is supported in a large part by the presence of the Council offices. Mitcham also has relatively poor transport links compared to other parts of the borough.
- 1.12 Two of the most notable effects of the recent economic downturn have been the worsening of local inequalities and, at a national level, the serious increase in youth unemployment, which has returned to the worrying levels of the mid-1980s. London as a whole has not been as badly affected as other parts of the UK, but has still seen higher rates of unemployment. Merton has seen unemployment increase, whilst remaining below the London average. The challenge for the Council and the EWG is to ensure that those made unemployed during the downturn do not become long term unemployed, as was the case for many people during

the last significant recession. Equally, it will be important to work with those most at risk, particularly younger people, to ensure that they are able to achieve suitable employment.

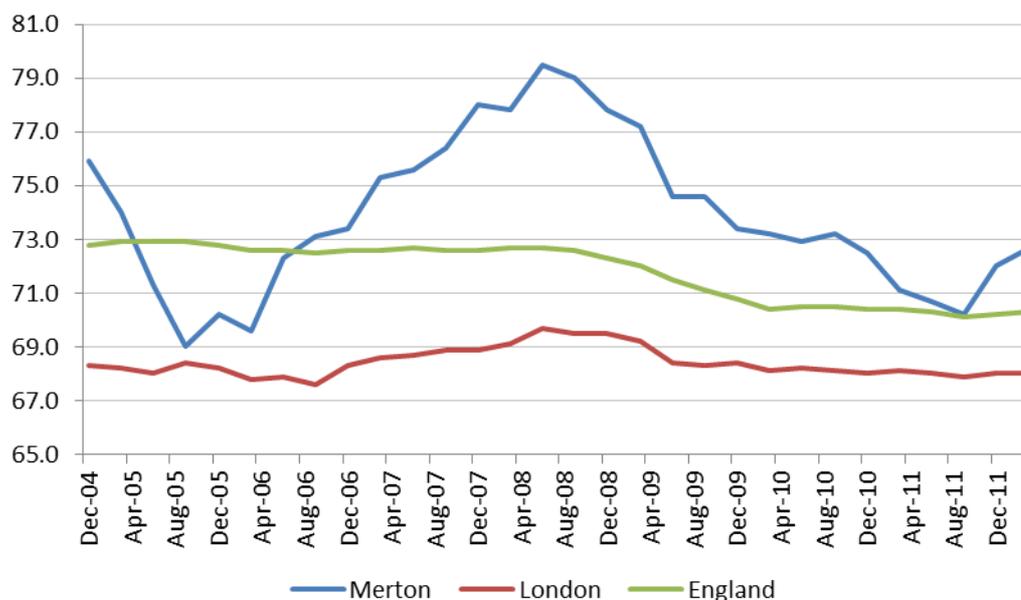
- 1.13 The remainder of this section of the report explores some of the key employment and skills statistics for Merton. In light of the significant economic disparities we also look at the statistics on a more localised basis, to understand how the challenges vary across the borough.

Employment, Occupations and Skills

Employment

- 1.14 As shown in the graph below, the employment rate in Merton over the past eight years has generally been higher than either the London or national averages. The gap between the Merton rate and the national rate has greatly increased during the period of economic expansion between 2005 and 2008, it narrowed significantly between mid-2008 and mid-2011, but has since increased again.

Employment rate as a % of working age population (2004 – 2012)

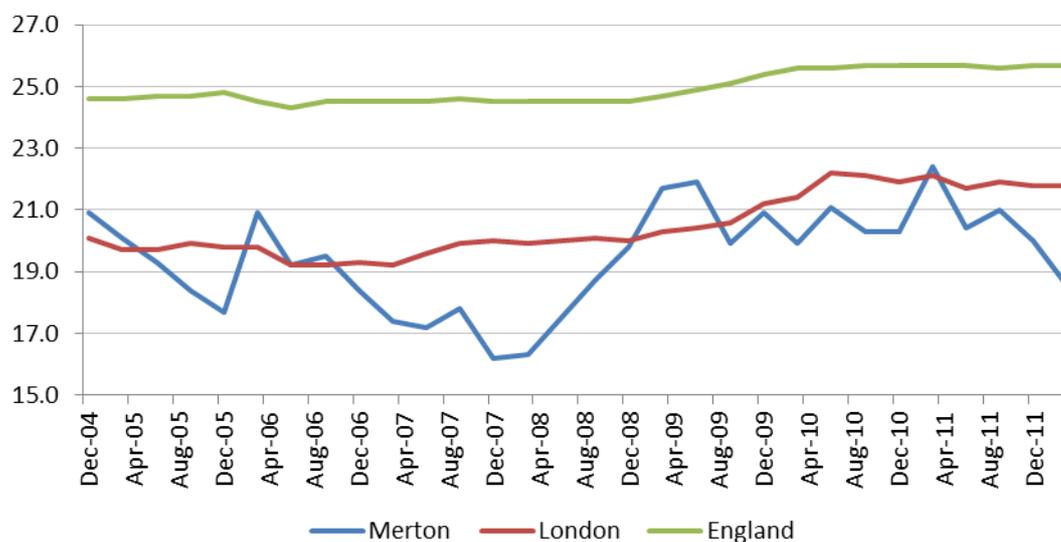


Source: ONS Annual Population Survey

- 1.15 The 2008-2009 recession has affected rates of employment amongst women in Merton more severely than men. After an initial dip in late 2008, the employment rate for men has stayed fairly static over the last few years at around 81% of the working age population, remaining at a higher level than in either London or England. Conversely, following the onset of recession in 2008 the female employment rate in Merton continued to drop from a height of 72.6% in June 2008, to 59.6% in September 2011. This was in contrast to relatively stable rates of female employment across London and England.
- 1.16 Merton and London have long had lower rates of part-time employment than the national average. Whilst at a London and national level there has been a slight rise in the proportion of employed people working on a part-time basis, in Merton the pattern of part-time employment has been far more erratic. The graph below shows that there was a large

increase in the proportion of part-time employment between the year ending December 2007, when part-time employment accounted for just 16.2% of total employment, to 21.9% in the year ending June 2009. Since then, the employment rate in Merton has oscillated around the 21% level and now appears to be declining again.

Part-time employment rate as a % of total employment (2004 – 2012)



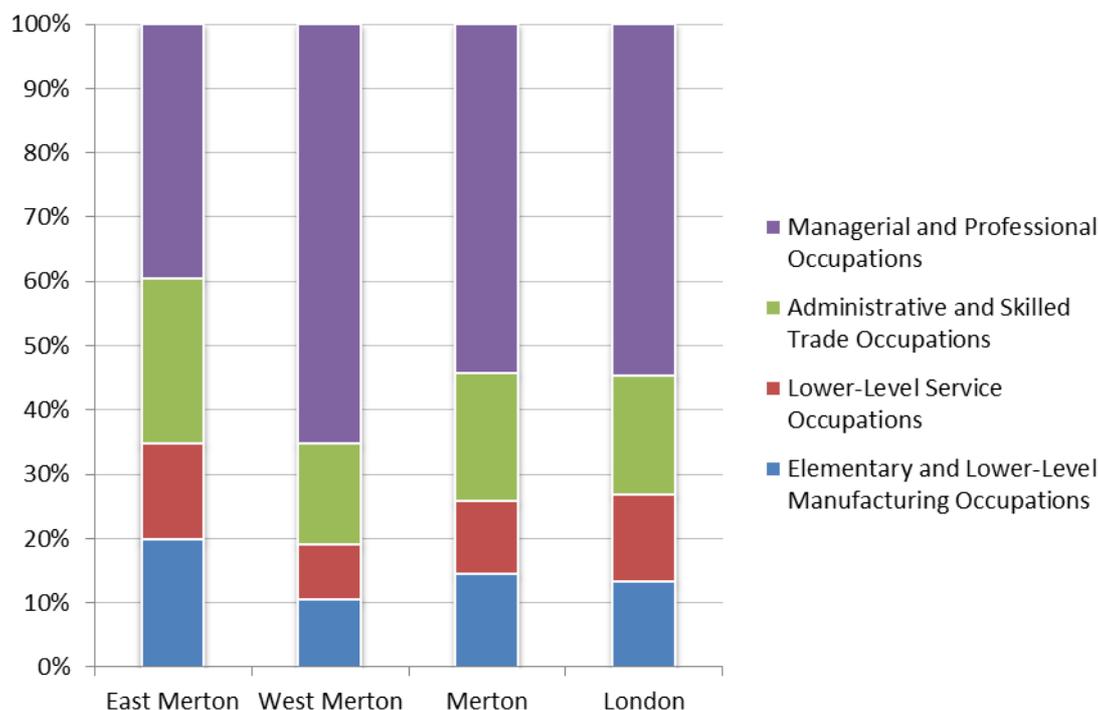
Source: ONS Annual Population Survey

Occupations, Commuting and Earnings

1.17 Merton as a whole has a similar occupational structure to the rest of London with a relatively high proportion of employed residents working in managerial and professional occupations. However, there is a significant difference in the occupational structure between the east and the west of the borough. West Merton² has a significantly higher proportion of its employed residents working in higher level managerial and professional occupations compared to East Merton. By contrast, employed residents in East Merton are far more likely to work in administrative positions, skilled trades, lower-level service occupations and elementary occupations.

² Note: here 'East Merton' refers to the parliamentary constituency of Mitcham and Morden, whilst 'West Merton' refers to the parliamentary constituency of Wimbledon. Please see the appendices for more details on the statistics used.

Occupation of residents by type of occupation (Apr 2011 – Mar 2012)



Source: ONS Annual Population Survey

- 1.18 As discussed above, commuting is an important part of the Merton economy. Although there is no detailed data available, it is likely that the difference in occupations between the two halves of the borough partly reflects different patterns of commuting. Only 27% of employed Merton residents work in the borough, a level which is low even by London standards³.
- 1.19 However, whereas the west of the borough is well connected to Central London, the connections in the east of the borough are more oriented towards Outer London. From Wimbledon Underground station it is possible to travel direct to the City of London (ie Bank Underground station) in half an hour. The same journey from Mitcham Eastfields takes 40 minutes, but involves a change and trains are less frequent. In addition, Mitcham Eastfields station is less well located, being approximately 10 minutes' walk from the town centre.
- 1.20 The difference in usage of the two stations is instructive. Wimbledon Underground station is used for nearly 12 million journeys per year⁴. In contrast, the total annual usage for the two Mitcham stations is approximately 770,000⁵. Clearly some of this usage arises from non-commuting journeys, however the scale of the difference suggests that commuting to Central London is far more prevalent in the west of the borough, even more so when we

³ONS (2010) A study of commuting patterns in Great Britain based on the Annual Population Survey 2008.

⁴Data is for entries and exists. Transport for London (2011)Counts 2011 - annual entries and exits.

⁵ Data is for entries and exits. Delta Rail (2012) Station Usage 2010 / 2011.

consider that Morden and Colliers Wood stations are used for 12.7 million journeys per year⁶.

- 1.21 The median annual salary of Merton residents is £33,200, which is higher than both the London (£31,900) and England (£26,600) averages⁷. In comparison, the median annual salary of people who are employed in Merton is £28,200⁸.
- 1.22 As with other economic indicators, average earnings vary dramatically between the eastern and western halves of the borough. The median annual salary of East Merton residents is £27,900, much lower than the median annual salary of West Merton residents which is estimated at £40,400⁹.
- 1.23 There are also significant gender differences in earnings, with male residents on average earning a third more than female residents. This gap is much higher than the London average gap of 15% between male and female residents. In contrast, the gender gap is lower than the London average for those people working in the borough.

Skills & Qualifications

- 1.24 On average, Merton has a very highly skilled workforce, with a higher proportion of working age residents holding degree level qualifications or higher. Merton, also has a lower proportion of residents who have no qualifications.
- 1.25 Once again, there are significant differences in the qualifications held by residents in the east of the borough compared to residents in the west of the borough. In West Merton, a much higher proportion of working age residents hold degree level qualifications or higher compared with East Merton, which has a lower proportion of residents with degree level qualifications than the London average.

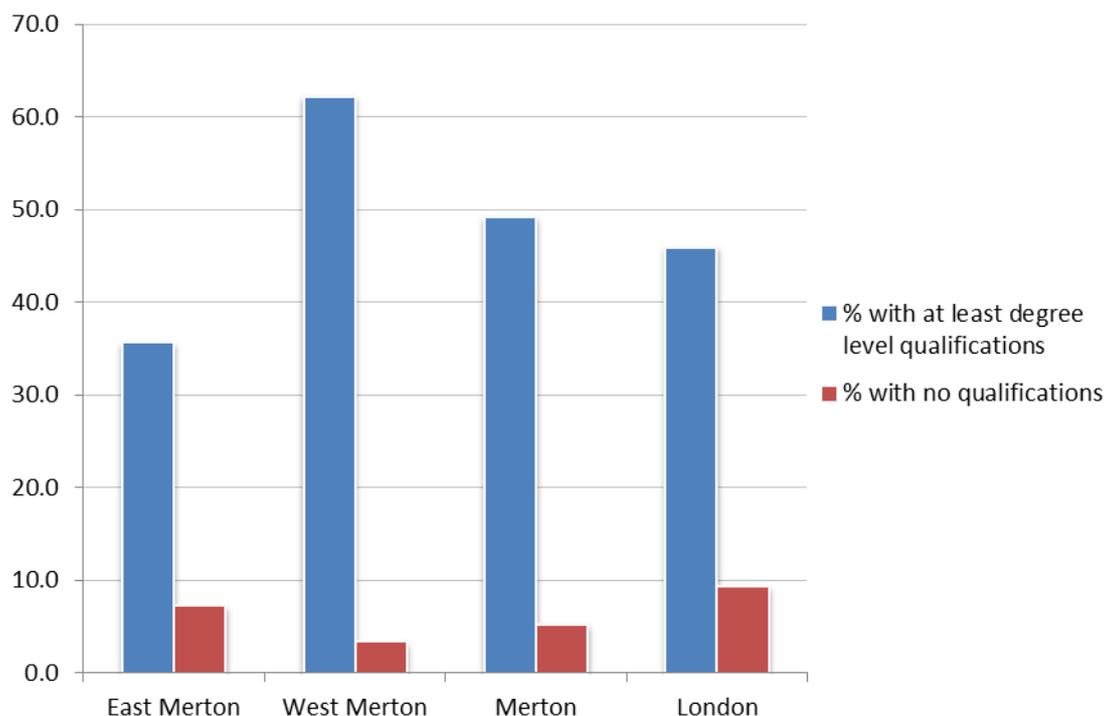
⁶ Data is for entries and exists. Transport for London (2011) Counts 2011 - annual entries and exits.

⁷ ONS (2011) Annual Survey of Hours and Earnings.

⁸ ONS (2011) Annual Survey of Hours and Earnings.

⁹ ONS (2011) Annual Survey of Hours and Earnings.

Proportion of working age (16-64) residents with at least degree level or no qualifications (2011)



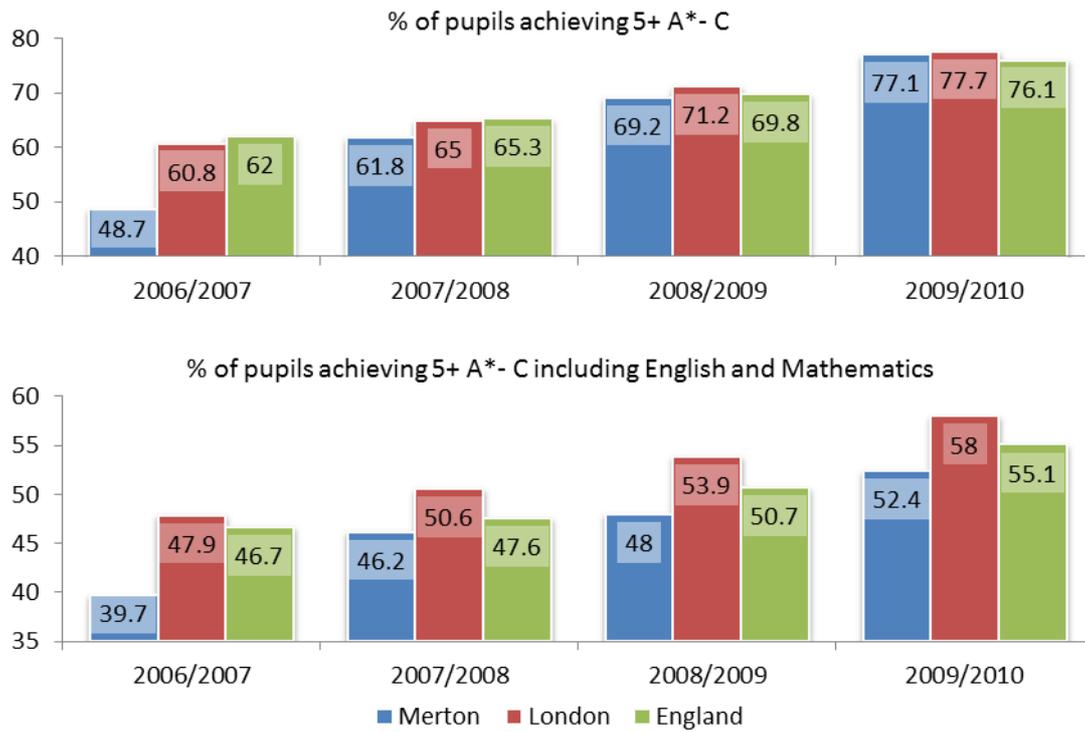
Source: ONS Annual Population Survey

- 1.26 It is important to note that even in the east of the borough, there are a lower proportion of working age residents with 'no qualifications' compared to the London average. One of the reasons for this is that the east of the borough has a relatively high proportion of residents with non-standard qualifications. This may reflect the large proportion of residents who are migrants and therefore do not have UK qualifications.
- 1.27 There is a slight gender gap in skills attainment. A larger proportion of working age male residents in Merton have degree level skills or higher compared to female residents, though this gap is less pronounced than the London average. Conversely, a greater proportion of women than men hold A-Level or FE qualifications. Importantly, there is very little difference between the proportion of men and women who have no qualifications.

Education and Training

- 1.28 Merton has an unexceptional educational performance compared to the rest of London. Educational institutions in Merton have had a growing number of students achieving five or more A* to C grade GCSEs over the period between 2006 and 2010, though the proportion of students with 5+ A* to C grades remains below the London average. If pupils' grades are calculated without considering English and Mathematics, then Merton's performance looks encouraging, as the borough has gradually managed to close the gap with educational institutions in London over the last years. However, when English and Mathematics are accounted for in the grades, the difference with London remains significant. During the academic year 2009/2010, the proportion of Merton's students achieving 5+ A*-C including English and Math was 52.4%, lower than both the London (58%) and the England (55%) averages. One complication for all of this analysis is that many young Merton residents study outside the borough due to lack of 16-18 provision in the borough.

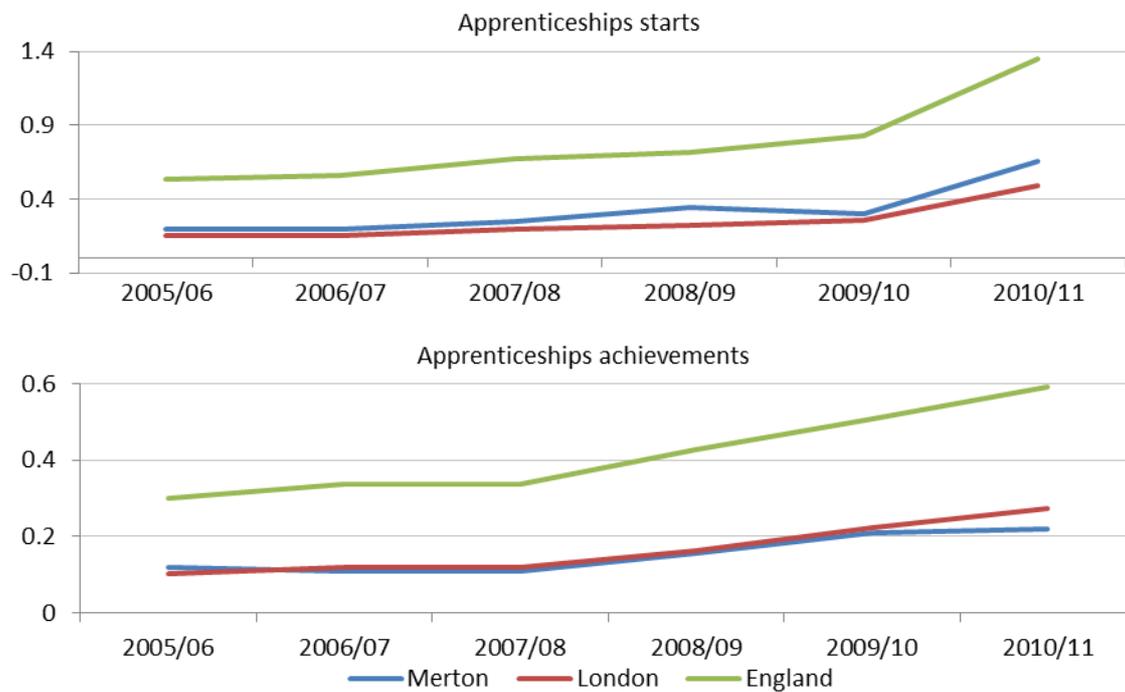
GCSE Referenced by Location of Educational Institution (2006-2010)



Source: ONS Neighbourhood Statistics.

1.29 Merton has a relatively high proportion of apprenticeships to jobs compared to London, but significantly fewer apprenticeships per job compared to the England average. The graph below illustrates the proportion of apprenticeship starts and achievements as percentage of the economically active population in Merton, London and England. Although the number of starts and achievements has been rising over the past six years in Merton, the rate of apprentices in the borough is still very far from the national average.

Apprenticeship Starts and Achievements as % of economically active population (2005/06 – 2010/11)

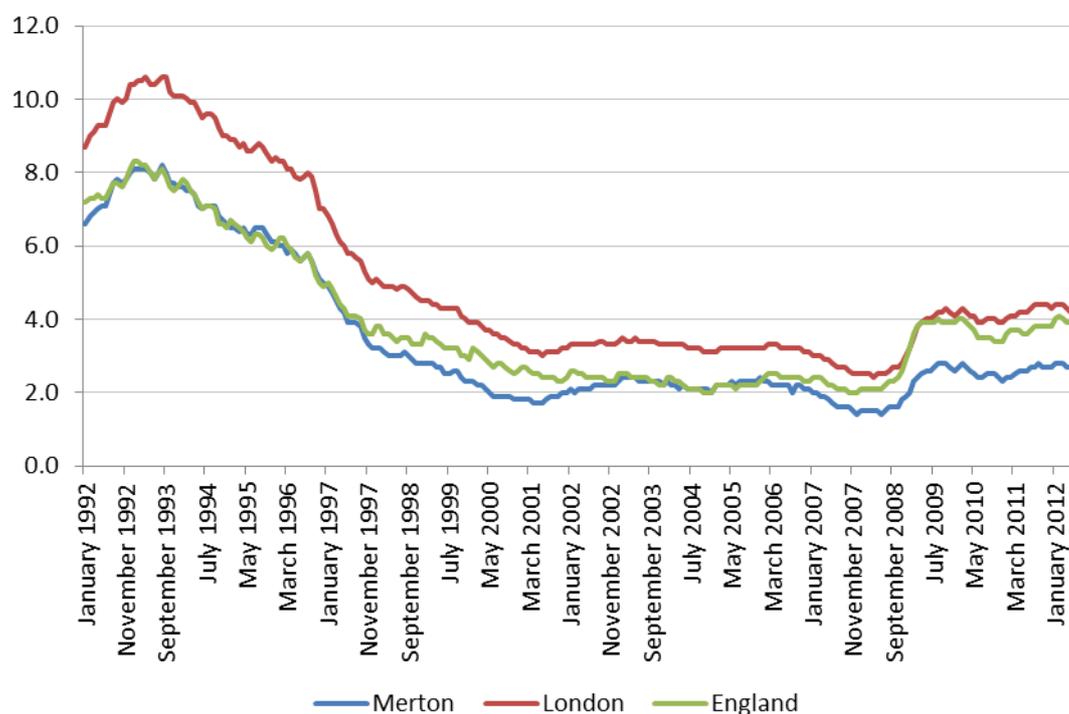


Source: The Data Service - Apprenticeship Framework Achievements and Starts by Local Authority

Unemployment

1.30 As with other parts of London, Merton has seen rising unemployment since 2008. The latest data suggests there are some 3,900 JSA claimants. The graph below illustrates several historic trends in JSA claimant rates. Firstly, the JSA claimant rate in Merton has consistently been below the London average for the past twenty years, and has also, for about half of that time, been below the national average as well. Secondly, in line with the regional and national trends the JSA claimant rate in Merton has increased significantly since the recession, albeit from a historic low in 2007 and early 2008. Thirdly, it is important to note that whilst more people are claiming JSA than for most of the preceding decade, that JSA claimant rates are significantly below the rates seen in the wake of the previous major recession in the early 1990s, a trend which is mirrored at the regional and national level.

JSA Claimant Rate (as a % of working age population) (1992 – 2012)

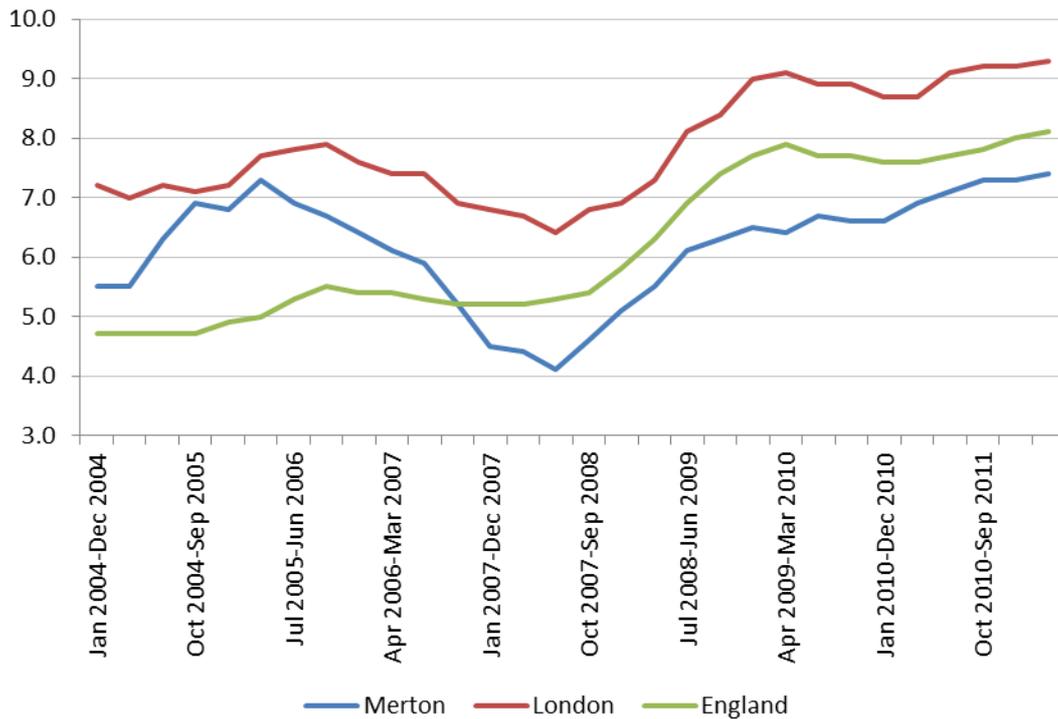


Source: DWP Claimant Count with Rates and Proportions.

1.31 The progressive reduction in JSA claimants starting at the end on 2009 is interrupted and reversed at the beginning of 2011. The latest data indicate that JSA claimants are at the same level as in the immediate post-recession period. However, it must be noted that the recent increase in benefit claimants is in large part related to the process of Incapacity Benefit (IB) Reassessment, which began in February 2011. The current Government has activated the process of IB Reassessment in order to determine the capability of IB claimants to engage into working activities. Given that IB claimants do not require to regularly justify benefit eligibility, they have little incentives to look for a job. Many of those who were found fit to work under the reassessment examination have been provided support and moved onto JSA. This is one of the factors explaining the increase in JSA claimants that can be observed from 2011.

1.32 The graph below shows a different measure of unemployment (JSA claimants plus the estimated number of unemployed people not claiming JSA¹⁰) which suggests a slightly different picture to the JSA claimant rate. This suggests that unemployment in the borough was higher than the national average between 2004 and 2006 / 2007, albeit still lower than the London average. Since the recession, however, unemployment has remained below the London and national averages even whilst rising steadily. This presents a less optimistic picture than simply looking at the JSA claimant rate, as it suggests that unemployment is still rising rather than levelling off. In addition, whereas there are 3,900 JSA claimants in the borough, this estimate of unemployment suggests that there are 8,900 unemployed people in the borough in total.

Estimated Unemployment Rate (as a % of economically active population) (2004 – 2012)



Source: ONS (2012) Model Based Estimates of Unemployment.

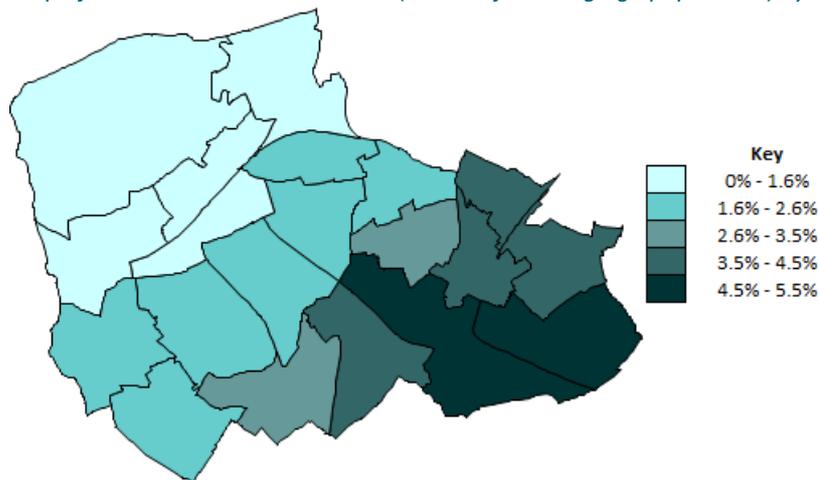
1.33 There are a number of possible explanations for the differences between the two measures. Firstly, as a result of the government’s welfare reforms, the pattern of JSA claimants has changed so that a greater proportion of people now do not claim, either because they are ineligible, because they have a partner in work or because they live with their parents.

Unemployment by Area

1.34 The map below illustrates that unemployment, as measured by the JSA claimant rate, is significantly higher in the east of the borough compared to the west of the borough, with unemployment being particularly concentrated around Mitcham.

¹⁰Note: Please see the appendices for full details on the different unemployment measures used.

Map of Merton - JSA Claimant Rate (as a % of working age population) by Ward (July 2012)



Source: DWP Claimant Count with Rates and Proportions.

1.35 In terms of unemployment, the east of the borough has fared notably worse than the west of the borough since the recession. Although both halves of the borough saw increased unemployment from mid-2008 onwards, in the west of the borough unemployment peaked at the end of 2009 and has since declined. By comparison, in the east of the borough unemployment has remained high and is far above the pre-recession trend.

Indexed JSA Claimant Rate (2004 – 2012) (2004 = 100)¹¹



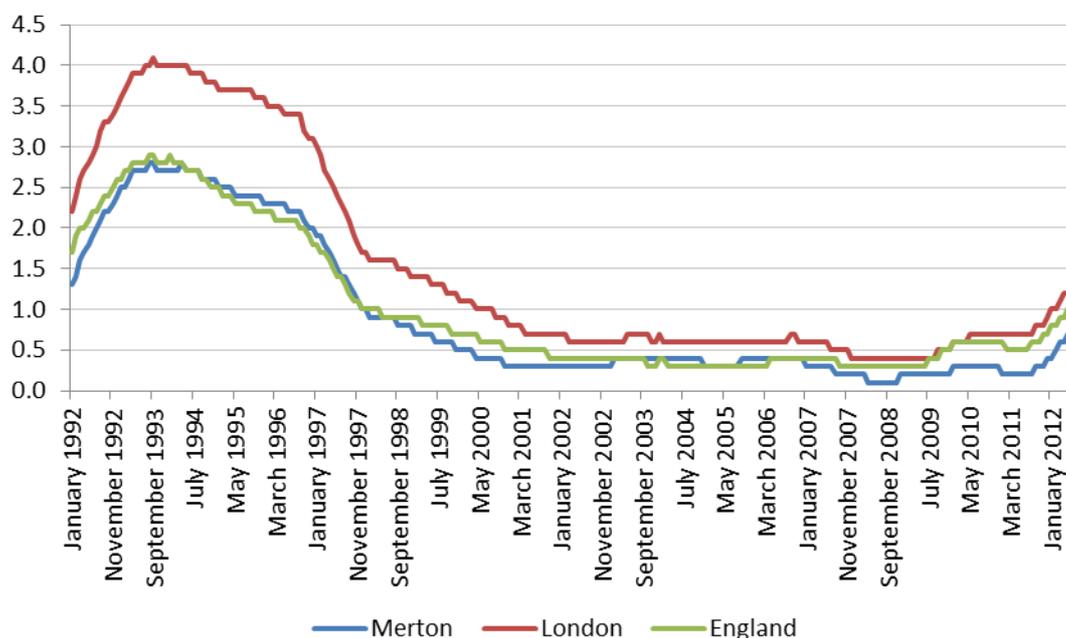
¹¹Please note that for the purposes of this graph we have defined East Merton as being composed of the following wards: Cricket Green, Figges Marsh, Graveney, Lavender Fields, Longthornton, Lower Morden, Pollards Hill, Ravensbury, St. Helier. West Merton is defined as the remainder of the borough.

1.36 Information from Job Centre Plus (JCP) in Merton suggests that there are a number of causes of this pronounced east-west divide in terms of unemployment. In part, the differences are related to a higher proportion of social housing in the east of the borough. As we have seen, there are fewer jobs in the east of the borough, and poorer residents from the east are often reluctant or unable to travel as far for work. According to JCP, many of the claimants they support have challenges around language skills, lack of basic numeracy and literacy skills, and sometimes a lack of motivation. In some extreme cases, employment opportunities may be limited by underlying drug or mental health problems, as may having to care for a relative with long-term health problems.

Long-Term Unemployment

1.37 Merton has historically had lower rates of long-term JSA claims than London, and has usually had lower or similar rates to the national average. The proportion of residents claiming JSA for one year or more has risen following the recession in 2008 but remains far lower than the peak that followed the recession in the early 1990s. In part, this rise in long-term unemployment reflects the reclassification of those residents formerly on incapacity benefit (IB). Those that have been reclassified as ready for work and who were previously claiming IB for at least a year have automatically become long-term JSA claimants. As with the overall JSA claimant rate, long-term unemployment is far more prevalent in the east of the borough compared to the west.

Long term JSA Claimant Rate (as a % of working age population) (1992 – 2012)¹²



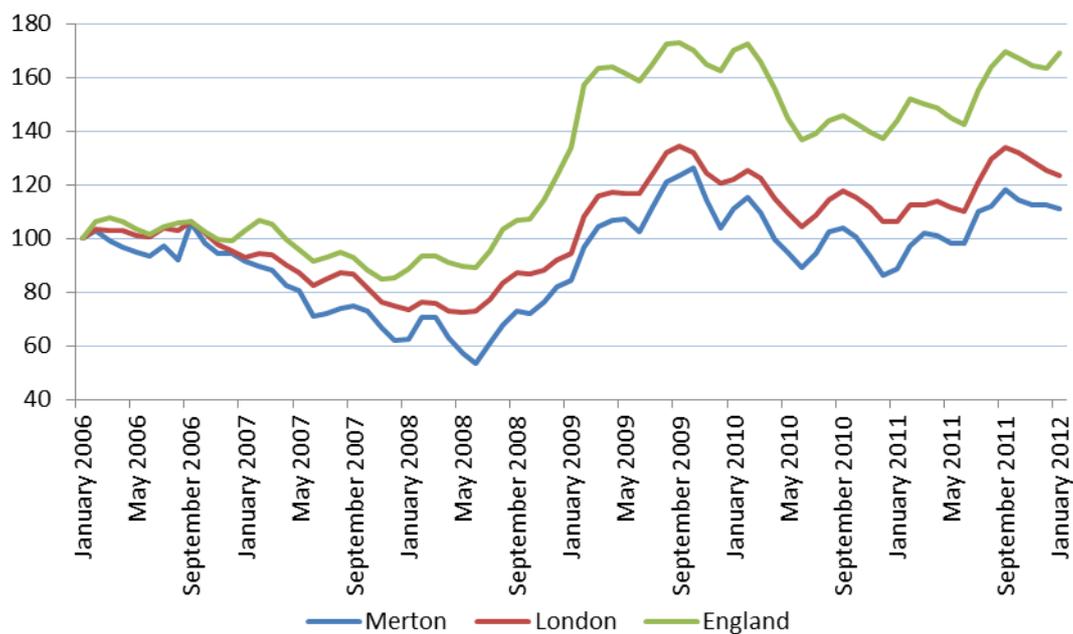
Source: DWP Claimant Count Age and Duration

¹²DWP (2012) Claimant Count with Rates and Proportions. Note: in this case long-term refers to those claiming JSA for a year or more.

Youth Unemployment

- 1.38 A key outcome of the 2008-2009 recession has been the marked increase in youth unemployment, which has caused concern at both a national level and within Merton.
- 1.39 There are a number of possible measures for youth unemployment, all of which have some significant limitations. The Annual Population Survey gives an estimate of total unemployment at the borough level, and includes all those currently not in work and looking for a job, but this includes students looking for work, and therefore is distorted, particularly for the younger age groups. Another measure is provided by the Job Seeker's Allowance (JSA) claimant count, discussed below. This measures the number of people registered for out-of-work benefits (from 18 years up). This is not a complete count of unemployment, as it excludes those who may be unemployed but have not registered for benefits, and this is a particular issue for young people as many of them are ineligible for benefits if they are living at home, and may not register. It therefore understates the level of unemployment. However, it can be broken down into narrower age groups and subcategories, and smaller geographical areas.
- 1.40 Currently the proportion of young people claiming JSA in Merton is lower than either London or England. The graph below further shows that whilst youth claimant counts in Merton have risen since 2008, they have not risen to the same extent as in London and England as a whole. As with the broader unemployment trend, youth unemployment is much higher in the east of the borough than the west.

Indexed JSA claimant count for 16 - 24 year olds (January 2006 = 100)

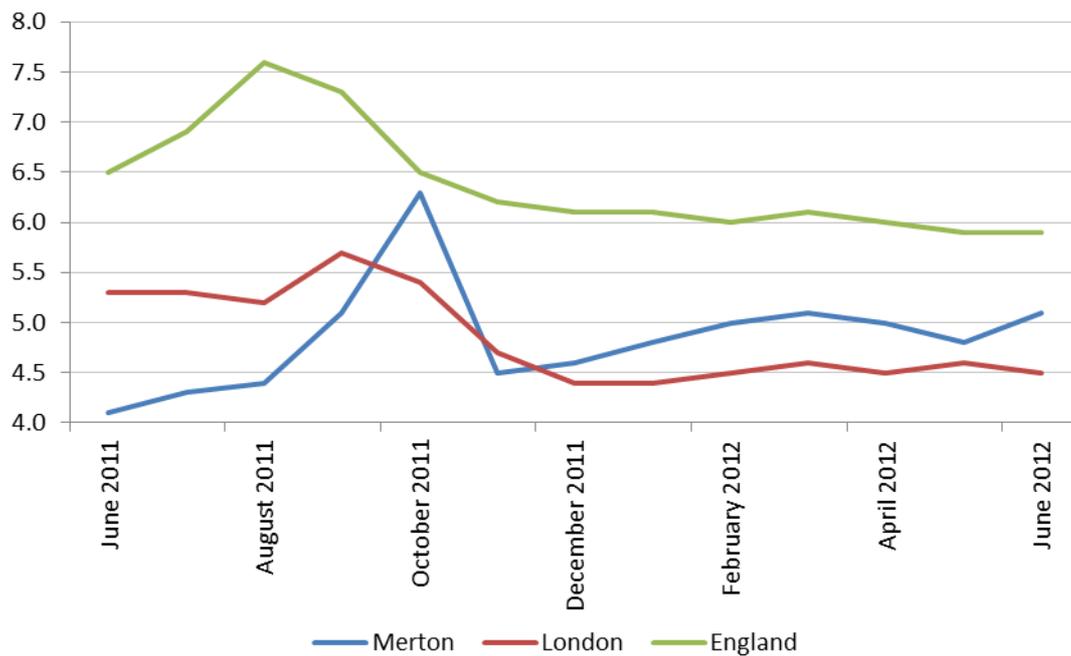


Source: DWP Claimant Count with Age and Duration

1.41 Another way to understand how young people have been affected by the recession is to look at the proportion of 16-18 year olds who are not in employment, education or training (NEET)¹³. The latest data suggest that there are 294 young people in Merton who can be classified as NEET, though this figure needs to be treated with caution as it includes some young people for whom there is no information.

1.42 The graph below suggests that in the past year there has been a notable increase in the NEET population in Merton, which contrasts with the downward trend observed in England and in London. The proportion of young people classified as NEET in Merton is 5.3%, which is lower than the national average but higher than the London average. There is some evidence that this higher level of NEETs is driven by higher levels of 18 and 19 year olds in Merton who are NEET compared to the London average, but it is important to appreciate that lack of data on some young people may be driving this apparent trend.

Proportion of 16-18 year olds who are NEET (%) (2011-2012)



Source: London Skills and Employment Observatory.

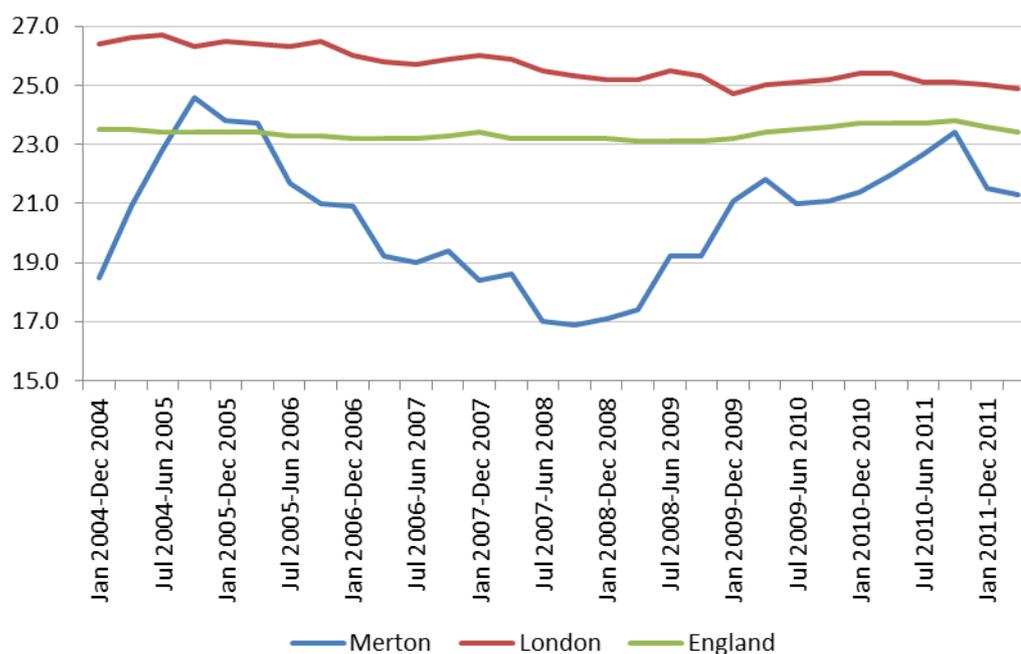
1.43 As with other indicators, young people who are NEET are overwhelmingly concentrated in the east of the borough, particularly around Mitcham. Within the borough, there is a slightly higher proportion of males than females who are NEETs, at 55% to 45%. Relative to the ethnic breakdown of the borough, the available statistics suggest that there are proportionally more white and Asian young people who are NEET, though this may be a by-product of incomplete statistics. Over 40% of observed young people who are NEET are suspected to require some kind of hands-on support to maximise the chances of achieving employment. 20% of NEETs in Merton are considered to require 'intensive' support.

¹³ Since April 2011 NEET data published by the London Skills and Employment Observatory relates to academic age 16-18 (Years 12, 13, 14). This might therefore include some information on those with an actual age of 19. This means that the latest data on NEET are not comparable with earlier data.

Economic Inactivity

- 1.44 Working age residents who are not working and are not claiming work-related benefits are defined as economically inactive. The increase in unemployment over the last three to four years has been accompanied by a significant rise in the number of working age residents who have become economically inactive. Between 2008 and 2011, the proportion of economically inactive residents increased from 16.9% to 22.5%, whilst the equivalent proportion across London and England remained relatively stable.
- 1.45 This indicates that part of the population in the borough has responded to the reduction in employment opportunities caused by the crisis by withdrawing from the labour market. Therefore in Merton, much more than in London or in England, there is a considerable risk that the increase in unemployment caused by the 2008 recession may become persistent over time. If this is the case, returning to the unemployment rate of 2007 would require considerable policy efforts over a longer period of time, to provide new employment opportunities to the population that has been progressively detached from the local labour market.
- 1.46 The hypothesis that the recession has induced many people to leave the labour market entirely is supported by the declining proportion of economically inactive people who state that they are looking for a job, which in Merton has fallen from approximately 25% in 2007-2008 to 18% in 2011. In comparison, over the same period the proportion of economically inactive people stating that they want a job has fallen slightly in London and has risen slightly in England.
- 1.47 One complicating factor to this analysis is that, despite a significant increase in economic inactivity since the recession, the overall proportion of economically inactive residents appears to be below the pre-recession peak.

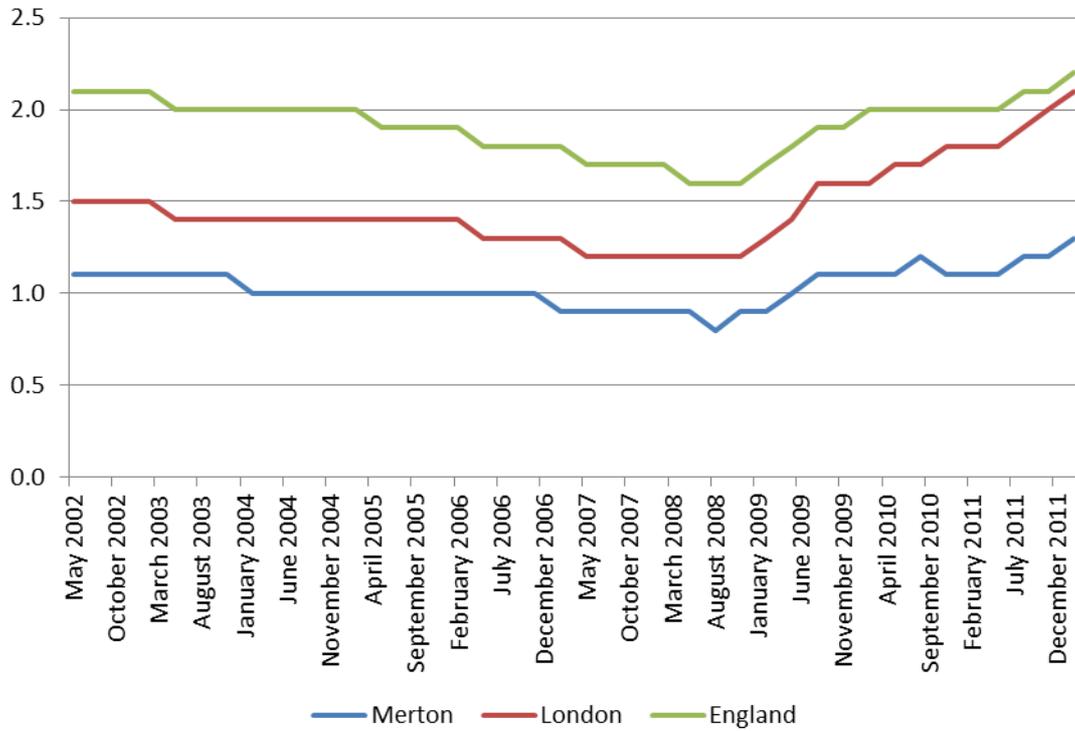
Economic inactivity rate as a % of working age population (2004 – 2012)



Source: ONS Annual Population Survey.

1.48 1,850 residents in the borough claim either incapacity benefit (IB) or employment support allowance (ESA). The proportion of people in the borough claiming IB or ESA has risen since the start of the recession, though Merton has seen this rate rise more slowly than across London as a whole. As with JSA, the IB and ESA claimant rates are far higher in the east of the borough than the west.

Incapacity Benefit / ESA Claimants (as a % of working age population) (2002 – 2012)



Source: DWP Benefit Claimants – Working Age Client Group.

1.49 More broadly, nearly 9,800 residents in the borough claim a form of benefit that does not include JSA. This figure is significantly higher than the number of residents claiming JSA (3,900). The table below illustrates the breakdown of benefit claimants in the borough.

Benefit Claimant Numbers by Type (February 2012)

Benefit	Number of Claimants	Proportion of Resident Population
JSA only	3,920	2.7%
Carers Allowance (CA) only	700	0.5%
Disability Living Allowance (DLA) only	1,020	0.7%
Incapacity Benefit (IB) or ESA only	1,850	1.3%
Income Support (IS)/ Pension Credit (PC) only	1,820	1.2%
Other Combinations of benefits (excluding JSA)	4,380	3.1%
Total Claimants	13,690	9.5%

Total Claimants (excluding JSA)	9,770	6.8%
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Source: DWP Benefit Claimants – Working Age Client Group.

Summary

- 1.50 When analysing Merton’s labour market it is important to recognise the significant differences between the eastern and western halves of the borough. The relatively low level of unemployment and worklessness in Merton masks the fact that the eastern half of the borough performs worse than the western half in terms of almost every unemployment and workforce indicator available. Similarly, the high proportion of Merton residents with at least degree level skills is a reflection of the major concentration of such residents in the west of the borough. These skills differences dictate the differences in commuting patterns and occupations between the different halves of the borough.
- 1.51 From a historical perspective, the levels of unemployment and economic inactivity, whilst higher than the pre-recession trend, do not appear to be particularly high compared to the levels seen in the early 1990s. Moreover, Merton typically performs better than both the London and national averages across all measures of unemployment and economic inactivity.
- 1.52 However, both unemployment and economic inactivity have risen since the recession. Moreover, using alternative measures of unemployment, and looking at the NEET rate in the borough, suggests that problems are far more acute than the JSA figures alone would imply. The alternative estimate of unemployment suggests that there are nearly 9,000 unemployed people in Merton, far more than the JSA claimant count of 3,900. Likewise, the NEET count has risen steadily over the past year and is now higher than the London average, and may be even higher than this as there are large numbers of young people whose current employment status is unknown. This should be a significant concern as young people without skills or experience are at risk of becoming long-term unemployed, with major long-term implications for the borough.

Key Issues

- 1.53 The above analysis suggests a number of key challenges, all of which are more acute for the east of the borough compared to the west of the borough:
- **Reducing Youth Unemployment / NEETs:** The number of young unemployed people and NEETs has risen over the past few years and the number of NEETs may be even higher than current estimates as the data for Merton is imperfect. Supporting young people into employment is vital if the borough is to avoid young unemployed people becoming disengaged from the labour market in the long term.
 - **Long-term Unemployment and supporting those transitioning from Incapacity Benefit:** Even prior to the recession Merton had issues with long-term unemployment. Many people who have been unemployed for significant periods of time have significant barriers to overcome and require intensive support. As more Merton residents become long-term unemployed this will increase the strain on existing resources and require better and more joined-up working between partners to address. The large number of residents claiming various disability and work

related benefits outside JSA illustrates a further challenge for the borough. The reassessment of many residents as 'ready for work' is creating a large increase in the number of people who are formally long term unemployed. These people will require significant support to access work.

- **Inactivity, Low Wages and Under-Employment:** There is less clear cut evidence that inactivity and under-employment are a significant issue, but there is some evidence that the recession has led to more people leaving employment or shifting to part-time employment. Women may be particularly vulnerable in this context, as there is evidence that they have withdrawn from the labour market to a greater extent than men in response to the recession.

1.54 All of this needs to be seen in a local context. One stakeholder interviewed as part of the research for this Action Plan noted that the east of the borough is beginning to develop some of the characteristics of deprived inner city areas. Without concerted action, the effect of the recession will be to entrench these trends more deeply in the deprived parts of Mitcham, leading to longer term social problems.

2 Policy Context and Existing Initiatives

- 2.1 This section presents the national, regional and local policy context for employment and skills. It looks at the programmes already in place, and identifies some possible gaps and priorities. This includes discussing the ambitions agreed by the Council, and the objectives identified for the Economic Wellbeing Group.

National Policy Context

- 2.2 In the context of the recession, the Coalition Government is introducing sweeping reforms to welfare and benefits, education, and skills policy. These include measures to reduce unemployment, improve skills, and make the welfare and benefits system more efficient. The intention of these government policies is to increase work incentives and simplify the benefits system.
- 2.3 Reform comes in the face of intense pressure on public budgets and the need to increase the efficiency of public services. The overall thrust of policy is toward greater devolution of services, and an increasingly market-based approach, with new roles and powers granted to local authorities, schools, and the private and voluntary sector. This transformation in public services presents a shared challenge to find new ways to join-up and work together within a complex array of administrative boundaries to deliver greater value for money.
- 2.4 The Government is implementing major changes to the benefits system, many of which were included in the **Welfare Reform Act**, which passed in March 2012. The Government is overhauling Jobcentre Plus delivery including giving more responsibility and autonomy to Jobcentre Plus advisers to assess claimants' individual needs and to offer the support they think most appropriate. This will be supported by a new Flexible Support Fund, and results-based payments for Jobcentre Plus providers including incentives to support the hardest-to-help. The Government is introducing a new **Universal Credit**, which will consolidate a range of working-age benefits into a single streamlined payment, with the aim of ensuring that all recipients are better-off in work – including part-time and temporary work – than on benefits. A range of working-age benefits will be combined into a single payment, so that tapers? measures for people entering work can be streamlined and do not work against each other.
- 2.5 DWP is also implementing a new welfare-to-work scheme through the **Work Programme**, which will deliver targeted support for an estimated 2.4 million claimants. Unlike previous schemes this will be delivered entirely by private sector providers, who will be granted a wider range of freedoms, and incentivised based on employment outcomes for clients. This goes hand-in-hand with a range of measures under the banner of '**Get Britain Working**', including Work Clubs, to encourage people who are out of work to exchange skills and share experiences; Work Together, which will encourage people to develop work skills through volunteering; Enterprise Clubs and a New Enterprise Allowance which will offer mentoring and financial support to help start businesses. Particularly relevant to young people, Get

Britain Working also includes new work experience placements; and sector-based work academies, in partnership with employers and training providers, which will provide specific work-readiness skills.

- 2.6 Employment support provided through Jobcentre Plus advisers has been made more flexible in order to facilitate personalised support for individuals to address specific barriers to work. This is assisted by the Get Britain Working measures now available to support employment, including Work Clubs, the **New Enterprise Allowance** and Enterprise Clubs. Jobcentre Plus is developing sector-based work academies with local colleges, offering pre-employment training, work placements and a guaranteed interview for JSA and ESA claimants in sectors with high volumes of current local vacancies.

The Work Programme

- 2.7 The **Work Programme** provides support for people who are long-term unemployed, or are at risk of becoming so. Unlike previous UK welfare-to-work programmes that were designed only for some specific groups, the Work Programme supports a much wider range of participants, independently of age, health conditions and family status.
- 2.8 The Work Programme introduces a payment by results system which is intended to incentivise providers to increase the impact of their support, by focussing payment on getting the long-term unemployed into work and on them staying in work. Providers are paid entirely on the basis of results achieved. The longer their customers stay in work, the more delivery partners will be paid, so there are strong incentives to maintain support once participants are in work. In order to deliver high quality performance in support provision, service providers are required to meet minimum performance levels. Best-performing providers are rewarded with higher market shares.
- 2.9 Other improvements in the welfare-to-work system brought by Work Programme involve the guarantee of higher freedom for service providers and the definition of longer commitment with contracted customers. The Work Programme provides greater freedom for advisers to personalise support to meet the specific needs of customers. Moreover, partnership contracts are signed for five years, allowing service providers to work along with participants to the Programme over a longer term, thus giving a firmer basis to join up incentives and support with providers delivering complementary services.
- 2.10 As yet, it has proved difficult for individual boroughs to monitor the impact of the Work Programme, as performance data has not been made widely available, so it is not possible to assess the impact, or the extent to which the programme has had an impact on those individuals who are furthest from the labour market.

Universal Credit

- 2.11 Universal Credit (UC) is the government's flagship welfare reform project. From October 2013 it will be the UK's main working-age benefit, bringing income-based JSA, income related Employment and Support Allowance, Income Support, Child Tax Credits, Working Tax Credits and Housing Benefits together into a single system. Universal Credit will be available to people who are in work and on a low income, as well as to those who are out of work.

- 2.12 Two specific measures have been included in the UC system to ensure that the transition into work will pay. Firstly, the establishment of a single taper will reduce the highest Marginal Deduction Rates for low-earning workers from 96% to 65%, creating a greater incentive for people to go into work rather than remain on benefits. Secondly, earning ‘disregards’ - the proportion of income that is not included in the benefits calculation - will reflect family and health conditions of households, allowing for improved incentives to work even for short periods of time. Disregards will be higher for larger families and for individuals with personal disabilities.
- 2.13 A new system of ‘conditionalities’ will regulate the requirements that claimants need to meet for receiving benefits. To counter the risk that some claimants will opt for low hours of work, UC conditionalities will be extended also to working claimants. Four broad conditionality groups will be introduced: ‘full conditionality’, ‘work preparation’, ‘keeping in touch with the labour market’ and ‘no conditionality’. Conditionalities apply up to a threshold equivalent to a 35 hour week at national minimum wage (NMW) rates. Individuals whose salary overcomes this new earnings threshold will fall into the ‘no conditionality’ group, meaning that their UC payments would carry no work-related requirements. Conversely, working claimants whose salary is below 35 hour week NMW will be expected to meet the threshold through a combination of additional employment, higher hourly wages or increased hours. The conditionality for working people has been estimated to apply to just under 1.2 million people¹⁴.
- 2.14 The Government aims to ensure that no-one will lose as a direct result of the reforms. If the amount of Universal Credit a person is entitled is less than the amount they were getting under the old system, a compensation will be paid to ensure that the person will not be worse off as compared to the previous system. However, a maximum cap will be set on household benefit payments so that Universal Credit will not exceed a certain amount when combined with Child Benefit and non-Universal Credit payments such as JSA and Employment and Support Allowance.
- 2.15 The Government expects that under the new system the take-up rate should improve, with beneficial effects on the number of people living in poverty and on the society as a whole. The simplification of the benefit allowance structure is intended to help more people to understand whether they have an entitlement and will facilitate claimants in that there will be no need to claim separately for different benefits. However, some critics have suggested that the new system will make things more difficult for some recipients, as the claim has to be filled out online, and the payments will be monthly rather than fortnightly as under the current system.

Measures to Reduce Youth Unemployment

- 2.16 Youth unemployment has been recognised as a major policy priority for the government. In December 2011 the government published its cross-departmental strategy for youth

¹⁴ Resolution Foundation (2012) Conditions Uncertain: Assessing the implications of Universal Credit in-work conditionality.

unemployment, **Building Engagement, Building Futures**, which sets out the full range of existing and new measures to address youth unemployment across government policy. This includes measures to increase participation in education and training across the 16-24 age group; help young people into employment; and supporting inactive and vulnerable young people.

- 2.17 These programmes are being introduced alongside significant reforms to welfare, school and Further Education (FE) freedoms and new responsibilities, and in the face of intense pressure on public budgets and the need to increase the efficiency of public services.
- 2.18 The Government is implementing widespread reforms to the way Further Education is organised and funded – following the Education Act 2011, and **New Challenges, New Chances**, its 2011 strategy for further education. FE provision is being reformed to provide a more diverse offer and greater autonomy and flexibility in delivery. The Government is reducing regulations and restrictions on college operations. FE colleges will be able to offer more higher education courses. The Government is introducing a new streamlined funding system for adult skills. From 2013, a new funding formula will be introduced which will fund students rather than programmes, and prioritise students who are low-skilled, disadvantaged or seeking work. FE loans are being introduced to support learners for intermediate and higher level skills, on a similar model to those available for higher education. Learners and employers will be expected to co-invest alongside government in meeting intermediate and high level training costs.
- 2.19 The Government’s youth unemployment strategy also prescribes strengthening partnerships between Jobcentre Plus, education providers, employers, local government and other government agencies to offer coordinated support for young people. For example, this includes piloting embedding professionals from the new National Careers Service within Jobcentre Plus; and new legislation which will enable sharing of personal information on 18-19 claimants with local authority staff, enabling much closer working with local authority services.
- 2.20 Alongside these measures, the Government has announced a **“Youth Contract”** which commits £1bn toward employment measures aimed at young people. This includes wage incentives for employers to recruit from the Work Programme; grants to employers for taking on young apprentices; funding for new places in work placements or sector-based training academies; and extra support through JCP for all 18-24 year olds.
- 2.21 The Government is also looking to increase the role of local authorities in supporting participation in education and training. Local authorities already have a statutory duty to secure appropriate educational provision, especially around providing targeted support for disadvantaged and NEET young people. Government will increase the accountability of local authorities in this area; consolidate relevant funding streams into a single Early Intervention Grant for local authorities that will provide £2.3bn in 2012-13; and work more closely with local authorities on locally-led delivery projects. A forthcoming strategy, *Positive for Youth*, will lay out how wider services for young people can help them develop skills they need to participate and succeed in learning.

Employer Ownership and Apprenticeships

- 2.22 There is a long-term aim to encourage '**employer ownership of skills**'- giving employers a more active role in employer-led training. The UK Commission for Employment and Skills (UKCES) has developed a set of principles around employer ownership which include funding employers directly for apprenticeships; and moving from qualification-based provider funding to employer-based investments and loans in skills development. The Government is investing £250m over the next two years in a series of pilots to test the employer ownership approach.
- 2.23 There are also attempts to secure greater local autonomy around employment and skills as part of the City Deals. These are agreements negotiated between local authorities or local enterprise partnerships and Central Government, in which both make policy and financial commitments enabling greater devolution to unlock city growth. Innovative measures on employment so far have included consolidating skills funding, and creating new skills investment funds; developing strategic local or regional skills plans; new 'Apprenticeship Hubs' which co-ordinate apprenticeship provision locally; trialling employer ownership principles; improving skills intelligence and strengthening the role of business partnerships on skills; and developing more integrated welfare provision and employability services.
- 2.24 Apprenticeships are the centrepiece of the government's approach on vocational training & jobs. A range of **Higher Apprenticeships** are currently being designed to support higher level skills development critical to the economy. The Government is simplifying the process of taking on apprenticeships, and investing around £800 million in promoting apprenticeships among businesses. New Apprenticeships awards have been designed to reward employers who successfully adopt apprenticeship programmes to improve their business.
- 2.25 Through the Funds allocated to the National Apprenticeships Service (NAS), the Government aims to increase the proportion of Apprenticeship programmes that are at an Advanced Level, with at least 40% of the programme being classified as High or Advanced by 2013/2014. It also intends to broaden the access to Apprenticeship programme by increasing the number of apprentices from members of ethnic minorities and people with Learning Disabilities. A major focus of measures on apprenticeships will be on young people. The Youth Contract includes additional grants to incentivise employers to take on younger apprenticeships, and the National Apprenticeship Service will work to actively target young people.

Benefits Rationalisation: Incapacity Benefit Reassessment and Income Support

- 2.26 The Welfare Reform Act of 2007 brought into law the reform of Incapacity Benefits, by introducing a new **Employment and Support Allowance** (ESA) to replace Incapacity Benefit, Severe Disablement Allowance and (partially) Income Support. Incapacity Benefit was an inactive benefit, which can be claimed for years without needing to re-justify eligibility for it. The new **Work Capability Assessment** was introduced in 2010 to assess an individual's entitlement to ESA and the possible support needed to get back into workplace. The aim of the reassessment is to evaluate the individual's ability to engage in work, so as to ensure that everyone who is able to work is given assistance to help them back into employment.

- 2.27 The Work Capability Assessment aims to help make sure claimants can access work and therefore be better off, by concentrating on what people can do rather than on what they cannot do. Those who cannot work continue to receive unconditional support (a higher rate of ESA), those with limited capabilities will receive the ESA and will be referred to employability advisers to help them prepare for work, while those who can work will be moved onto JSA and expected to find a job. The reassessment process started in October 2010 and will continue until Spring 2014.
- 2.28 Restrictions on claiming Income Support have been applied also for lone parents. Lone parents who are capable of work will receive Income Support only until their youngest child reaches age five. After this, they will typically need to claim JSA and will receive support to find employment. Lone parents who are currently in receipt of Income Support with children over 5 will be moving on to JSA in 2012. Lone parents with children aged 12 and under will be able to restrict their availability to work to fit with their child's regular school hours.

Employment and Skills Initiatives in Merton

- 2.29 There is a large amount of existing activity carried out by the Council and its partners aimed at supporting the employment and skills agenda in Merton.

Youth Employability Support

- 2.30 The Council is in the process of agreeing a strategy for supporting youth employability in Merton. This includes the systematic identification, tracking and follow up for all 13 to 19 year olds, NEET prevention work, early identification of those at risk of not progressing in EET and targeted intervention, and co-ordinated work to prevent young people becoming NEET.
- 2.31 The tracking and follow up work involves a South London tracking team, following up all those young people identified as NEET to signpost them to information and advice available through the youth support services, as well as other online and telephone support services. Personal advisers and youth workers will provide intensive support to young people who need it including those with learning difficulties and disabilities. Data sharing protocols have been agreed to try and ensure that individuals are able to be monitored and tracked.
- 2.32 The Integrated Youth Support Service works closely with social workers, the Youth Justice Service, the Health Authority, schools and colleges, and other local projects to provide individually tailored and co-ordinated support for young people who are NEET. The service has started to work with JCP to co-ordinate support for 18 and 19 year olds who were previously NEET. For looked after children, there is a team of advisory teachers designed to support improved educational outcomes, and this includes ensuring that there are plans made for the young people after year 11, and this may include careers advice or discussions with education providers.
- 2.33 In terms of identifying additional resources to support young people, there is a South West London Cluster ESF 14-19 Steering Group, set up to co-ordinate bidding for ESF.

- 2.34 Grenfell Housing & Training run the 'Together You Can' programme, a programme aimed at supporting young people into employment. This has developed from a pilot programme funded by the Mayor's Fund and is now commissioned by Merton Priority Homes, with additional support from the Council's Performance Grant.
- 2.35 South Thames College has specific programmes aimed at NEETs, including support for young people who have missed the September intake. The College provides diplomas for young people between 16 and 20 in a range of fields including: sport, business hospitality, childcare and IT.
- 2.36 Volunteer Centre Merton runs two programmes aimed at supporting young people into work via volunteering. The 'Supported Youth Voluntary Project' is targeted at young people with disabilities, whilst 'Youth Action' is focussed on supporting young people who are NEET, young ex-offenders, young carers, etc. to volunteer. Volunteer Support Merton also run a School Enrichment Programme which helps young people in school prepare for work through volunteering.
- 2.37 Connexions have set up 'Project Search' with St. George's Hospital and South Thames College. This is a project aimed at supporting young people with disabilities to work at the hospital. Groundwork London provides courses for young people.

Careers Advice and Vocational Training

- 2.38 The Council commissions information, advice and guidance (IAG) for schools centrally and careers advice is provided via IT packages available in schools and libraries. At the moment, schools in the borough manage their IAG provision differently. For example, Ursuline School in Wimbledon have a nominated IAG tutor and other schools have employed dedicated advisors. The Council is preparing a new commissioning strategy for IAG services in the borough to ensure provision of a universal service available within all schools. In addition, Grenfell Housing run an IAG and careers advice service whilst Merton Adult Education deliver IAG services to potential and existing students.
- 2.39 The Merton 14-19 Partnership Board oversees the curriculum offer in schools, progression routes for school leavers, apprenticeships, and individual support for young people NEET. Merton Adult Education also has a small number of young people who are NEET enrolled on qualification courses.
- 2.40 The Council runs work experience programmes for young people who want hands-on experience. This is typically 6-8 weeks and is unpaid. The Council also offers some shorter work experience placement to local secondary school pupils in years 10 and 11.

Adult Skills Training

- 2.41 Merton Adult Education delivers over 5,000 courses annually across three locations, though the Mitcham location is closing. Merton Adult Education runs programmes for adults under two main contracts: the Adult Skills Budget and Community Learning. Within the Adult Skills Budget provision, qualification courses are delivered as well as 'first steps' programmes which support individuals to progress to further education. 49% of qualification courses

delivered are ESOL (English to Speakers of Other Languages) courses. Other courses run include: Maths, English, Early Years, foreign languages, IT and crafts.

- 2.42 Community Learning provides non-qualification courses including Personal Community Development Learning, Family Learning, Family English and Maths, and Neighbourhood Learning for Deprived Communities. 49% of these courses are arts and crafts courses.
- 2.43 South Thames College is one of the largest colleges in south London. It provides 6th form facilities as well as further and some higher education, and also provides a range of apprenticeship courses.

Local Employment Support Projects

- 2.44 Merton Priory Homes are undertaking a number of support programmes with residents. Their Training and Employment Centre in Lombard Road has recently opened and will provide construction skills training (in partnership with South Thames College), advice and guidance, and job brokerage. Merton Priory Homes also run a business enterprise programme supports participants to start businesses by helping them with marketing and set-up, and by continuing to provide mentoring for 6 months, including a 'dragons den' session to test business ideas. This course has been in operation for the past year with around 50 participants so far, of whom 70% to 80% have set up a business as a result.
- 2.45 South Thames College provides a range of employability courses for adults including: retail knowledge, door supervision, cleaning, health sectors, ESOL, IT and preparing for employment. These are short courses of between two and six weeks in length which help people to choose career and training paths. The College also provides employability support such as CV writing and interview practice.
- 2.46 Volunteer Centre Merton run volunteering into work programmes for people with mental health problems and learning disabilities. This includes pre-volunteering support to help participants with basic skills, including how to behave within a professional environment, and post-volunteering support to help participants use the experience and skills they have gained through volunteering to find employment. Merton's Transforming Families programme includes employment support initiatives for recipient families. The Commonsense Trust provides signposting directly to their clients and through the Skills and Learning for London Partnership website. The Commonsense Trust also provides CV and job search drop-in sessions.

Employer Engagement and Work with Businesses

- 2.47 Merton Chamber of Commerce is leading on engaging Merton businesses around the borough's employment and skills agenda and has recently recruited a dedicated business engagement manager. The Chamber also runs employer events to connect employers with and promote available provision.
- 2.48 Merton Priory Homes' Training and Employment Centre has worked with construction companies delivering repairs, maintenance contracts and Decent Homes, to identify local jobs and apprenticeship opportunities.

Apprenticeships and Pre-apprenticeship Training

- 2.49 South Thames College delivers apprenticeships across a number of professional areas including: civil engineering, building services, hairdressing, dental nursing, facilities management and business administration / customer services.
- 2.50 The Council has an apprenticeship scheme for 16-24 year olds, plus some adult apprenticeships. Apprentices are employed by the Council for one year, or two years if they are on an advanced apprenticeship scheme. The Council has an average of 20 apprentices at any single time, including adult apprentices. The Council doesn't guarantee apprentices work after the end of the apprenticeship period due to having a limited number of jobs available. However, apprentices are treated like internal candidates where there are suitable jobs available and around 50% of apprentices go on to get employment in the Council.
- 2.51 Merton Adult Education have delivered pre-apprenticeship training in the 2011 / 2012 academic year but do not have funding to deliver the same training in the current academic year, despite continued interest in the training. Analysis of the previous year suggests that around 60% of participants found either an apprenticeship or a job following the training.

Workforce Development

- 2.52 The Council runs a 'skills for life' programme for staff to support their literacy / numeracy / IT skills. This involves staff going to college on a regular basis but has significant benefits in terms of improving productivity. The Council also has an employee assistance programme to help staff made redundant. Some of the activities supported by the Council include CV writing, interview skills and retirement advice / courses.
- 2.53 Merton Adult Education have produced a Merton Workforce Development Strategy. Merton Adult Education have workforce development partnerships with the Merton libraries service, the Harris Academy and a number of other schools, and the London and Quadrant Housing Association.
- 2.54 Volunteer Centre Merton is contracted by the Council to run a 3-4 year libraries project which aims to help the library services recruit volunteers and provide training to staff to manage volunteers. This has helped the library service to provide a more flexible and responsive service, and a number of volunteers on this programme have gone on to achieve employment.

Jobcentre Plus Initiatives in Merton

- 2.55 JCP in Mitcham is currently undertaking a range of work aimed at supporting employment in Merton. This includes:
- Working with local employers to ensure greater provision of work experience for young people
 - Financial support to address barriers to work such as travel costs, clothing, etc.
 - Extra hours at weekends to support client job search
 - Work with troubled families funded by the European Social Fund (ESF)

- Work with offenders to prepare them for the job market prior to release
- A multi-agency approach to support clients involved in gang activity
- Work with partners targeted at clients in deprived wards
- Daily signing and specific cohort initiatives

Vocational Education

- 2.56 The Merton 14-19 Partnership Board oversees the curriculum offer in schools, progression routes for school leavers, apprenticeships, and individual support for young people NEET.
- 2.57 There are a number of IT packages available in Merton libraries and schools providing careers information for young people. There is also a new commissioning strategy for IAG services in the borough being prepared to ensure provision of a universal service available within all schools.

Troubled Families Programme

- 2.58 The Troubled Families Programme (TF) is a Government initiative which targets the families for whom there are particular concerns around academic attendance, youth offending, anti-social behaviour and unemployment. Merton Council's response to the National TF initiative is a programme of multi-agency interventions targeted at the most vulnerable families in the borough, known under the name of 'Transforming Families'. The key aims of this programme will be to reduce criminal and anti-social behaviours, improving childrens' school attendance and helping to put parents on the road back to work.
- 2.59 The borough is expected to intervene and support 370 families over three years from April 2012. 40% of the 'Transforming Families' programme will be financed by the Department for Communities and Local Government (DCLG), while the remaining 60% will be directly funded with resources allocated by the Merton Council. To meet the 60:40 criteria LB Merton has allocated approximately £1.5 million for this programme.

3 Action Plan – 2013 to 2014

- 3.1 The previous section looked at what a number of organisations within Merton are already doing to support employment, training and skills. This section sets out the objectives of the Economic Wellbeing Group (EWG) and the proposed actions for the Group to take forward over the next two years. This section of the Employment and Training Action Plan is intended to be a 'living document,' to be updated as necessary to reflect current priorities and actions. This initial version reflects the actions to be undertaken over the next two financial years up to and including 2014 / 2015.
- 3.2 The priorities identified for the Council and its partners on the EWG from the labour market analysis are:
- **Reducing Youth Unemployment / NEETs:** The number of young unemployed people and NEETs has risen over the past few years and the number of NEETs may be even higher than current estimates as the data for Merton is imperfect.
 - **Long-term Unemployment and supporting those transitioning from Incapacity Benefit:** Even prior to the recession Merton had issues with long-term unemployment. Many people who have been unemployed for significant periods of time have significant barriers to overcome and require intensive support.
 - **Inactivity, Low Wages and Under-Employment:** There is less clear cut evidence that inactivity and under-employment are a significant issue, but there is some evidence that the recession has led to more people leaving employment or shifting to part-time employment. Women have been particularly badly affected.
- 3.3 The EWG has met to consider the ways in which they can work together to tackle these issues and increase the impact of national and local programmes through collaboration and co-ordinating activity.
- 3.4 Following a focussed discussion by partner agencies of potential areas for additional actions by the group over the next two years – (Jan 2013 to Dec 2014), a number of initial interventions are proposed:
- **Increase employer demand, and take-up of apprenticeships by young people in Merton:** while numbers of apprenticeships have been increasing, London as a whole, and Merton within it, underperform in relation to other parts of the country. Increasing the volume and quality of apprenticeships will require greater take up by employers as well as increased interest from young people.
 - **Working with employers to expand work experience opportunities and local recruitment:** There is a clear consensus across partners that while a key priority for the group must be to extend employer engagement and gain commitment to expanding

work experience for local unemployed residents through engagement and job brokerage support.

- **Making employment and skills programmes more accessible to employers:** Employers are confused about the skills training, brokerage and apprenticeship offers available. It is agreed that a more streamlined and coherent offer needs to be provided for them.
- **Enhancing support for those furthest from the labour market:** There is agreement amongst members of the EWG that long-term unemployed people in the borough require more focussed and intensive support to enable them to access and retain employment than appears to be provided under the Work Programme currently. The group will co-ordinate service provision in order to improve access to support for those furthest from the labour market.
- **Co-ordinating new activity and funding bids:** There are a number of opportunities already identified by members of the EWG for joint activity to secure additional resources to support unemployed residents in the borough. Bidding opportunities and areas for potential collaboration should be a regular feature of group discussions.
- **Developing and marketing a Merton offer:** This would be a development, branding and marketing initiative, through which a coherent offer could be promoted to both employers and to unemployed Merton residents. This would help to increase interest in local recruitment and workforce development among Merton employers, and encourage young people and unemployed residents to explore local employment and work experience opportunities.

MERTON ECONOMIC WELLBEING GROUP – PRIORITY ACTION				
	Objective	Action	Lead responsibility and resources	Outputs
1	Increasing employer demand and take-up of apprenticeships	Use Council and it's suppliers procurement policy to increase apprenticeships through suppliers and contractors.	LBM working with NAS and ATAs	100 new apprenticeships by Dec 2015.
2	Employer engagement	Develop a programme of work with the top 100 employers and wider promotion across the business community – including the "Take One" Campaign	LBM working with Merton Chamber of Commerce	200 new work opportunities and 100 apprenticeships by Dec 2014
3	Simplifying the employer offer	Promote wide use of the JCP database across partner agencies	JCP and EWG	Ongoing

		Council and Chamber to develop business champions/advocates to help promote local recruitment	LBM and Merton Chamber of Commerce	Ongoing
4	Supporting those furthest from the labour market	Review support across housing, health and third sector services for those furthest from the labour market and identify potential to increase support.	JCP Flexible Support Fund, LBM Employment Support Fund	TBC
5	Co-ordination and joint funding	Agree joint delivery of the demand led pilot	Grenfell Housing, Priory Homes	TBC
		Agree joint bid for additional resources from the Flexible Support Fund	EWG	TBC
6	Promoting the Merton employment offer – to employers, young people and unemployed residents	Promote apprenticeships, work experience placements and local recruitment to Merton employers	LBM working with NAS and Chamber	100 new apprenticeships provided and filled by Dec 2014
		Promote work opportunities within schools and to parents	LBM	200 new work opportunities and 100 apprenticeships by Dec 2014

Additional Actions proposed for consideration during 2013

Objective	Action	Expected Outputs
Co-ordination of apprenticeship programmes and outreach across the borough	Create targeted apprenticeship information programme for students / sixth forms and businesses	Apprenticeship information distributed to all sixth form and college students in the borough All businesses in the borough to receive information on apprenticeships targeted to their size / sector
	Hold apprenticeship events for SMEs to learn the benefits and get support in implementation	100 new apprenticeships created in SMEs in Merton by Dec 2014
	Work with colleges, sixth forms and graduates to implement interview skills training and job application support	100 young people per year supported into work using this facility

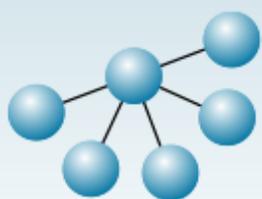
Objective	Action	Expected Outputs
	Work with partners to improve data on NEETs	Improved accuracy of NEET data
	Targeted programme of one-to-one support for young residents that are NEET	XXX NEET young people per year supported into employment or training
	Co-ordinate basic skills provision (attitudes to work, motivation, social skills) for young people and make this more accessible	300 young people per year to access basic skills training Improved feedback from businesses
Co-ordinating job brokerage and work experience info /provision	Identify pathways into work for unemployed residents and seek to better co-ordinate / signpost support	Greater clarity and accessibility for users One single signposting service for Merton residents looking for employment support / training
Co-ordinating support on long-term unemployment	Targeted programme of one-to-one support for long-term unemployed people in the east of the borough	Reduce the proportion of long-term unemployed residents in the east of the borough to XX%.
	Use volunteering resources to support long-term unemployed and young people to gain practical work-based skills	XXX residents per year supported into volunteering placements XX% of participants to gain stable employment within 3 months of participation
	Target female residents who are inactive or under-employed to support better access to employment opportunities	XXX female residents supported back into full-time work

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SHARED INTELLIGENCE