

Knowsley Joint Strategic Needs Assessment

Employment and Unemployment

This report

This report has been prepared jointly by Knowsley Council, the Clinical Commissioning Group (CCG) and partners of the Knowsley Health and Wellbeing Board (HWB).

Its purpose is to provide an analysis of Employment and Unemployment in order to determine the following:

- How much impact does this issue have on local people?
- Can this impact be reduced through local action?
- Can local action reduce health inequalities?
- Will local action on this help address other issues too?

Understanding these things helps the HWB determine the level of priority that this issue should be given in the Borough's Health and Wellbeing Strategy.

This is one of a series of reports that comprise Knowsley's Joint Strategic Needs Assessment (JSNA).

Contacts

For information about this report please contact:

Joseph Ong, Senior Analyst, Knowsley Council

Phone: 0151 443 2692

Email: joseph.ong@knowsley.gov.uk

Further information

For a PDF copy of this report, and other research intelligence products, visit ***Knowsley Knowledge*** – the website of Knowsley's JSNA

Contents

	Page
Executive Summary	4
Introduction	7
Purpose of this report and what it covers and does not cover	7
Quality of data and intelligence available	7
Why employment and unemployment is important	7
Links to other priorities, and interdependencies with Council, CCG and wider Partnership priorities and strategies	8
Impact on Knowsley residents	9
The number and characteristics of people affected by this issue; the key trends in recent years, and expected future direction of travel	9
How residents, communities, and stakeholders view this issue and impact on life experiences	15
The scale of health and other inequalities	19
Comparison with national and regional averages and statistical neighbours	19
Differences between locations and population groups within Knowsley	20
Current service provision and actions	25
Asset assessment – people, facilities and funding	25
How expected trends are likely to impact on service provision	29
Evidence of what works locally and elsewhere	31
Suggested actions to improve health and reduce inequalities	36

Executive Summary

What are the most critical employment and unemployment challenges facing Knowsley?

- Fewer residents in Knowsley are economically active or in employment compared with the rest of the country.
- Around two out of five working residents are in lower skilled and lower paid occupations.
- Residents in Knowsley earn on average £44 per week less than the English average, while jobs based in Knowsley pay around £30 per week more. Lots of these jobs are taken by workers from outside of the Borough.
- There is an ongoing deficit of skills amongst Knowsley residents with fewer qualified to GCSE, A-Level and Degree level compared to the rest of the country.
- Youth unemployment is increasing with around 21.5% of young people aged 16-24 now unemployed.
- Almost twice as many residents claim an out of work benefit compared with the rest of England.
- There is evidence that those closest to the labour market are having some success in finding jobs (shown by a falling unemployment rate). But the longstanding issue of sickness and disability continues to drive an increasing gap in economic activity.
- Mental ill-health is increasingly the key reason why residents with disabilities are not able to work.

What is the scale of the problem, and who is most affected by employment and unemployment in Knowsley?

There are around 60,200 residents in Knowsley who are employed, which means that 65.6% people of working age are in employment. The highest levels of employment and economic activity are in Halewood North, Roby, Swanside, and Whiston North.

The main industrial sectors that Knowsley residents are employed in are 'public administration, education and health' (34%), distribution, hotels and restaurants' (18%), banking, finance and insurance (12%), and manufacturing (10%). The same proportion of residents in Knowsley are employed in service industries compared with England as a whole (80%).

There is a deficit of employment in higher paying occupations such as management, professional, and technical occupations compared with other parts of the country. Correspondingly, average weekly pay for residents in Knowsley is £377 per week, which is £44 per week lower than the England average of £421.

The unemployment rate in Knowsley is 7.7% which is around 5,000 working age residents. Youth unemployment has historically been much higher than other age groups, and correspondingly the proportion of young people aged 16-24 who are unemployed is currently almost three times as that for all working age residents at 21.5%.

The highest concentrations of unemployment and economic inactivity are centred around Stockbridge, Page Moss and Longview in the Huyton partnership area, and Kirkby Central and Northwood within the Kirkby partnership area.

Knowsley has 16,500 claimants of key out-of-work benefits, which accounts for 17.6% of the working age population. Around 7,610 (46%) have been in receipt for over five years, of whom most (90%) are receiving sickness and disability benefits. Mental and behavioural disorders comprise almost half (48%) of all claims for sickness and disability benefits while musculoskeletal disorders account for 14%.

There remains a longstanding skills gap which represents a significant barrier to employment, with fewer residents qualified to GCSE, A-Level or Degree equivalent levels.

Have things been improving or getting worse?

The proportion of residents in employment is currently at a similar level to that in 2005. However the employment rate for 16-24 year olds has fallen by 8.9% points since 2005 and is continuing to fall.

Full-time employment has reduced over the last ten years leading to 3,200 fewer residents working full-time. However there has been an increase in the proportion of residents employed in higher level occupations.

There are now fewer claims for key out-of-work benefits compared with 2005 and claims for disability and lone parent benefits have both fallen over the period. The biggest impact on claimant numbers in recent years has been a reduction in job seeker claimants since 2013; reflecting Government policy to reduce long-term worklessness.

Counter to this there has been a specific increase in older JSA claimants in the last few years who are aged 45-64 years; driven by Government policy to reduce eligibility for ESA/IB and Income Support.

The proportion of ESA/IB claimants suffering from mental and behavioural issues has increased since 2005 from 38% to 48% in 2015, showing how mental ill-health has become a strong driver of worklessness in the Borough.

How are things expected to change over the next few years?

Projected demographic change in Knowsley means that the working age population could be 11% smaller by 2037, placing demands on ensuring that skills lost through retirement are adequately replaced, as well as skills required through new technologies.

Evidence suggests that national economic growth is not effectively translating into the same level of job opportunities in Knowsley as would be expected, and unless there is a clear growth in availability of jobs, the employment gap will not reduce.

The planned introduction of a National Living Wage for over 25s from April 2016 could have a positive impact to reduce youth unemployment, and increase resident

earnings. Initial evidence from some employers suggests that this could also increase financial pressures on businesses.

Ongoing reforms to welfare will make it likely that increasing numbers of residents who would have previously claimed a disability or lone parent related benefit will instead claim Universal Credit under full job seeking conditionality.

Anecdotal evidence suggests that many new jobseekers aged above 45 have been made redundant from jobs that they have held for a large number of years and that their lack of knowledge about the labour market and lack of experience in current application and interview processes are detrimental to their search for employment. There is a need to ensure that support services are adequately suited to the needs of those claimants who have been out of the labour market for some time

How do we compare with national and regional averages, and statistical neighbours?

Employment and economic activity rates in Knowsley are lower than that of England and the wider Liverpool City Region. Knowsley would need a further 6,700 residents in employment to match England.

There are almost twice the proportion of working age residents in Knowsley that are in receipt of a key out-of-work benefit at 17.6% compared with 9.4%. However the 'claimant gap' with England has been falling continuously since 2005.

Residents in Knowsley with a disability or long-term illness are far less likely to be in employment compared with England as a whole. Around 29.6% of working age residents who have a long-term health problem or disability are in employment, compared with 47.8% across England, and 33.8% for the Liverpool City Region.

How good is the available intelligence, and where are the gaps in our knowledge?

Labour market intelligence is available through a number of Office of National Statistics verified sources, and covers a wide range of statistics relating to local employment and unemployment patterns, out of work benefit claims, education and skills. Whilst statistically sound, these data sources can be subject to issues of timeliness with lags of up to 12 months for some data sets. There is a lack of detailed data on residence based employee occupations and industries.

Local insight and qualitative information has been sought from local employment support and skills providers, stakeholders, employers and partners, as well a limited range of resident insight through focus group work. However there is room for further resident insight which could otherwise be have been sought through channels which are no longer available such as the local Tracker Survey.

Employment and Unemployment

Introduction

Purpose of this report and what it covers and does not cover

This JSNA report on Employment and Unemployment is a part of Knowsley's Joint Strategic Needs Assessment and relates to the 'wider determinants of health' theme.

The report considers the local economy from the perspective of people and the workforce. It assesses the current labour market position of Knowsley residents, looking at employment and unemployment patterns, sectoral employment, average wages, reasons for unemployment, barriers to employment, skill levels, workforce health and health implications of unemployment.

The findings of the report also form part of the Borough's evidence base for wider plans such as the Economic Growth Plan and Employment and Skills Plan.

This report doesn't attempt to analyse the 'demand side' of the economy such as the demography of Knowsley's business base, or business demands for skills, nor does it assess economic output or productivity of the Knowsley economy. This will be covered under further intelligence reports.

Knowsley's economy is intrinsically linked to that of the Liverpool City Region, and whilst the report acknowledges the wider position of Knowsley's labour market within the City Region, it does not make any detailed analysis of the City Region economy as a whole as this is already well covered in the evidence base of the Liverpool City Region Local Enterprise Partnership¹.

Quality of data and intelligence available

The NOMIS labour market information service publishes a range of statistics relating to local employment and unemployment patterns (which are officially verified by the Office of National Statistics). Other official statistical sources in this JSNA report include the Department for Work and Pensions (DWP) and the Further Education Data Library; which are both verified by the ONS, but can be subject to issues of timeliness.

Local insight and qualitative information has been sought from local employment support and skills providers, stakeholders, and partners. A workshop (facilitated by the Knowsley Engagement Forum) was conducted in August 2015 to seek qualitative insight from the public on employment and unemployment issues. However the limited number of attendees at the workshop means there is a lack of wider resident insight which could otherwise have been sought through local survey intelligence.

Why Employment and Unemployment is important

Being in good quality and sustainable employment is fundamentally linked to higher levels of income and in turn better physical and mental health and wellbeing.

¹ <http://liverpoollep.org/>

People with low incomes are more likely to experience poorer health outcomes compared to those with higher incomes, and employment is the key determinant for increasing a person's income level.

However, different types of employment can also have a detrimental effect on both physical and mental health such as physically demanding work, insecure or intermittent work (including zero-hour contracts) and working in a stressful or high pressured environment. In turn, health problems can lead to unemployment, and then worsen due to not working, becoming a key barrier to then re-starting employment. Fundamentally, employment, unemployment, and health are all intrinsically linked.

Unemployment brings a financial cost to the local and wider economy through expenditure on benefit payments, higher levels of public service provision such as health services, and reduced levels of business rates, and corporate tax yield through lower productivity of local businesses.

The strength of a local labour market is a key determinant of local economic performance. A large, skilled, healthy and well-connected workforce represents a strong asset for promoting the Borough to businesses interested in locating to Knowsley, therefore increasing levels of investment into the Borough, and helping to create a vibrant local economy.

Links to other priorities, and interdependencies with Council, CCG and wider Partnership priorities and strategies

The findings of this report link in to a number of Borough and City Region strategies.

- Strategy for Knowsley;
- Knowsley Joint Health and Wellbeing Strategy;
- Knowsley Economic Growth Plan;
- Knowsley Employment and Skills Plan;
- Liverpool City Region Skills for Growth;
- Knowsley Education Improvement Strategy;
- Knowsley Local Plan;
- Knowsley Housing Strategy;
- Knowsley Early Years and Childcare Sufficiency Assessment;
- Knowsley Child and Family Poverty Plan;
- Knowsley Financial Inclusion Strategy;
- Knowsley Obesity plan 2014-17;
- Knowsley Physical Activity Plan 2015-17;
- Knowsley Alcohol Plan 2014-17;
- Knowsley Accident Prevention Strategy 2015-17;
- Liverpool City Region Transport for Growth Plan.

Impact on Knowsley residents

The number and characteristics of people affected by this issue; the key trends in recent years, and expected future direction of travel.

Population and economic activity

Knowsley has a population of 146,400, a relatively small population compared to other metropolitan districts in England, and represents around 10% of the Liverpool City Region's total resident population.

The working age population in Knowsley (aged 16-64 years) is just under 94,000, which represents 64% of the total population of the Borough.

The population of Knowsley has seen a trend of gradual decline over the last 30 years, but there have been signs of population stabilisation again in recent years. A higher level of migration out of the Borough than natural population change (births and deaths) has been the contributing factor in the Borough's falling population.

As of March 2015 there were 65,200 working age residents who were economically active, representing 71% of the working age population. Economic activity refers to people who are either employed, or without a job but available for and seeking work. It effectively represents the current resident supply of labour within the Borough. Table 1 shows that the economic activity rate in Knowsley is now slightly higher than it was in 2005, but has remained relatively stable over the period. Economic activity of females has increased significantly over the period from 62% to 66.6%.

Table 1: Knowsley economic activity rate (% aged 16-64)

	2005	2007	2009	2011	2013	2015
All	69.0	71.7	70.7	70.8	71.6	71.0
Male	76.7	79.5	77.2	76.1	78.0	75.9
Female	62.0	64.7	64.7	65.9	65.8	66.6

Source: NOMIS Annual Population Survey Apr - Mar

This means there are around 28,500 working age residents who are economically inactive. Economic inactivity can cover a number of situations. Around 32% of those economically inactive are reported as wanting a job. The main reasons for economic inactivity are long-term disability (41%), looking after the family home (22%), full-time students (20%), and early retirement (9%).

Employment

There are around 60,200 residents in Knowsley who are employed, which means 65.6% people of working age people are in employment. The overall employment rate has remained relatively stable between 2005 and 2015. There was a dip during the recession period, but this has now recovered above pre-recession levels. The employment rate for 16-24 year olds has fallen by 8.9% points since 2005 and continues to fall, whilst the rates for 25-49 and 50-64 year olds have both increased in the last ten years. This is largely reflective of national employment trends and is influenced by policies such as welfare reform, as well as rebalancing of the economy since the recession.

Table 2: Knowsley employment rate (% aged 16-64)

	2005	2007	2009	2011	2013	2015
All	64.4	65.7	65.1	62.2	63.4	65.6
16-24 yrs	54.2	52.9	50.9	48.0	48.2	45.3
25-49 yrs	75.0	76.6	76.9	72.1	74.1	79.1
50-64 yrs	48.6	54.1	57.2	54.2	56.9	57.5

Source: NOMIS Annual Population Survey Apr - Mar

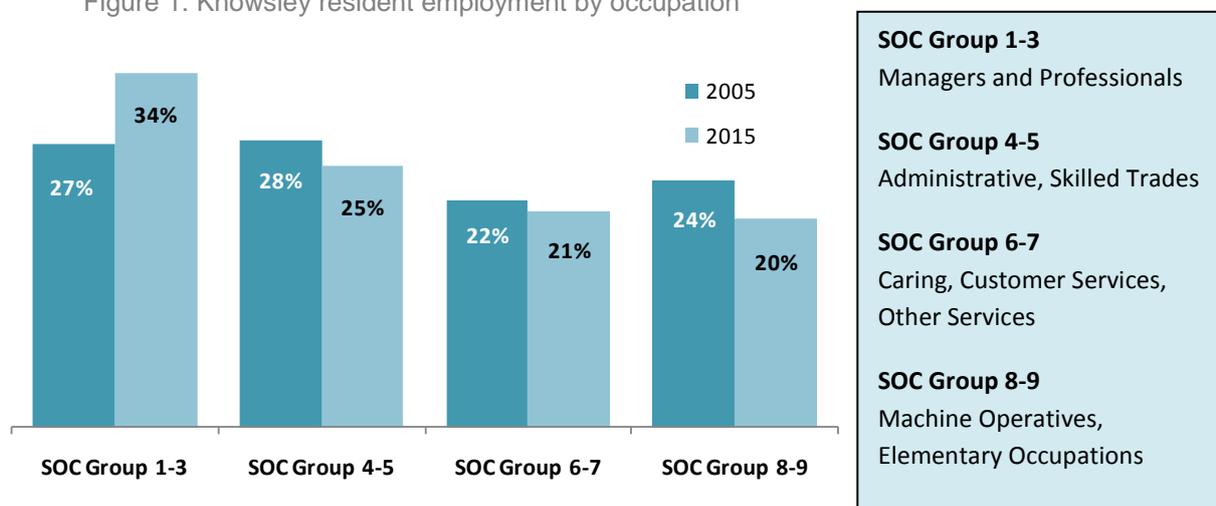
There has been a reduction in the level of full-time employment over the last ten years from 79.4% of all employment in 2005 to 74.7% in 2015, which means 3,200 fewer residents working full time. This change in employment status was accelerated following the onset of the recession and appears to have been driven by an increasing number of males moving into part-time employment. The biggest fall in full-time employment has occurred amongst the 16-24 age group.

Self employment plays a key role in the labour market, representing an alternative route into employment when job opportunities are more scarce. The level of self-employment in Knowsley has been increasing over the last ten years from 8% of all employed residents in 2005 to 10% in 2015. This represents an increase of 1,200 people who are self-employed.

Knowsley has historically had a higher than average proportion of its population employed in the public sector. Despite the Government's ongoing policy to 'rebalance the economy' and reduce the size of the public sector, the share of Knowsley residents employed in the public sector is now higher than it was ten years ago at 29% compared with 28%. This has important consequences for Knowsley residents as national average earnings in the private sector are growing at a faster rate than public sector earnings, which are subject to a 1% pay cap up to 2020.

Looking at the occupational structure of Knowsley's working age residents, there has historically been a deficit (compared with England as a whole) of employment in higher paying occupations such as management, professionals, associate professionals and technical occupations.

Figure 1: Knowsley resident employment by occupation

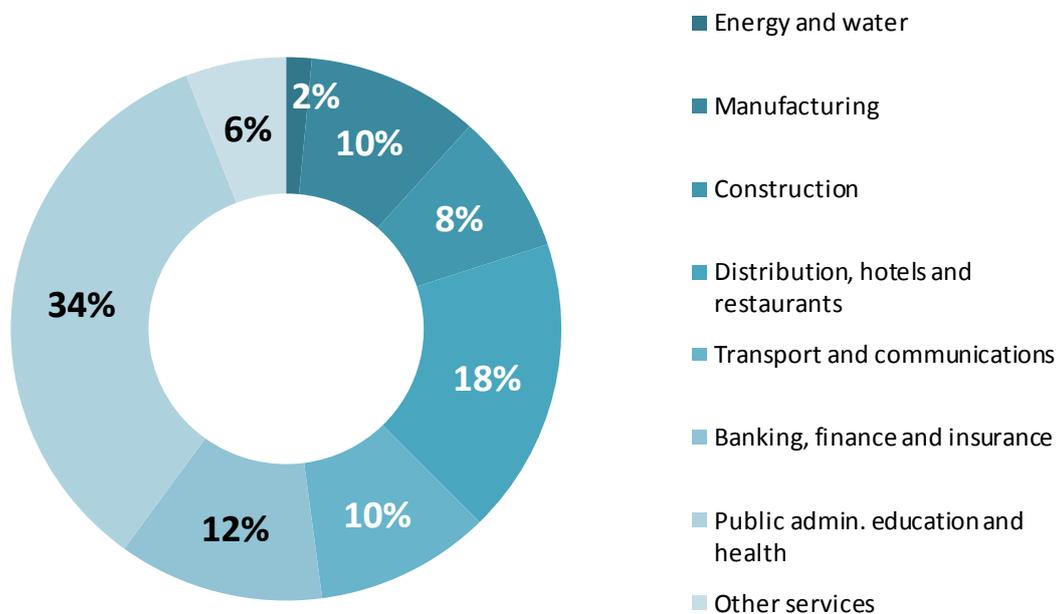


Source: NOMIS Annual Population Survey Apr - Mar

Figure 1 above shows that there has been a certain level of change to the occupational structure of Knowsley's working residents between 2005 and 2015, with an increase in the proportion employed in higher level occupations (SOC Groups 1-3) compared with lower skilled occupations (SOC Groups 8-9). People working in lower skilled jobs are more likely to be paid less than the national average, and further analysis and local insight shows they are more likely to cycle between employment and unemployment; compounding issues around financial inclusion and wider wellbeing.

Demand for employment across different industrial sectors is determined to a large extent by economic factors at the City Region footprint, and the Liverpool City Region has identified key sectors for projected job growth: Visitor Economy, SuperPORT, Low Carbon, Advanced Manufacturing, Creative and Digital, Financial and Professional, and Life Sciences. These are the growth sectors that residents need to take advantage of in order to maximise employment opportunities.

Figure 2: Knowsley resident employment by industry



Source: NOMIS Annual Population Survey Apr - Mar

Figure 2 below shows that the main industrial sectors Knowsley residents are employed in are 'public administration, education and health' (34%). A further 18% are employed in the 'distribution, hotels and restaurants' sector, 12% in 'banking, finance and insurance', and 10% in 'manufacturing'; all industrial groups strongly related to the City Region's growth sectors.

Average weekly pay for residents in Knowsley is £377 per week, which is £44 per week lower than the England average of £421. Average earnings have increased by £74.6 per week since 2005, but have largely stayed static since 2011, driven by a fall in part-time wages over the period.

Table 3: Knowsley resident average weekly earnings (£)

	2005	2008	2011	2014
All	302.4	344.5	377.7	377.0
Full time	356.2	396.6	434.5	463.6
Part time	134.5	135.4	165.8	148.7

Source: NOMIS Annual Survey of Hours and Earnings

Counter to this, average earnings for people who work in Knowsley is actually higher than the resident average wage at £451 per week, and also higher than the average English weekly wage. This means that on the whole, Knowsley's residents are not able to take advantage of the higher skilled and higher paying jobs available in Knowsley, and instead they are being occupied by workers from outside of the Borough.

Unemployment

Unemployment refers to working age residents without jobs, but who are available for, and actively looking for work; representing out-of-work residents who are closest to the labour market. The unemployment rate in Knowsley is currently 7.7% which equates to 5,000 working age people. Between 2005 and 2015 Knowsley's unemployment rate rose to a peak of 12.9% in 2012. The trend has been downward since then, and has fallen to pre-financial crisis levels, though still higher than 2005.

Table 4: Knowsley unemployment rate (% aged 16-64)

	2005	2007	2009	2011	2013	2015
All	6.7	8.4	7.8	12.2	11.4	7.7
Male	7.3	10.4	9.7	14.4	13.4	7.3
Female	6.1	6.1	5.8	9.8	9.3	8.1
16-24 yrs	16.6	22.0	20.3	23.4	21.2	21.5
25-49 yrs	5.2	5.1	4.9	11.3	9.8	4.9
50-64 yrs	-	5.4	3.6	5.2	8.3	5.4

Source: NOMIS Annual Population Survey Apr - Mar

The unemployment rate of 16-24 year olds has historically been much higher than other age groups, and correspondingly the youth unemployment rate is now almost three times the overall rate at 21.5%. The unemployment rate for males has halved since 2011 and is now lower than the unemployment rate for females.

Out-of-work benefits

The types of out-of-work benefits claimed by residents gives an indication of the main reasons why residents are out of work. They are available to those who are both unemployed as well as some people who are economically inactive and therefore not seeking work.

Key out-of-work benefits include Jobseeker's Allowance (JSA), Employment and Support Allowance and Incapacity Benefit (ESA/IB), Income Support (IS), and other income related benefits (all of which qualify recipients to entitlement to free childcare for 2 year old children). Knowsley has 16,500 claimants of key out-of-work benefits which accounts for 17.6% of the working age population. This has fallen from 23.6% in 2005. The current level of claims for key out-of-work benefits is the lowest it has been in at least 15 years, and the reduction has been far greater than national change over the period.

Figure 3 shows that the majority of key out-of-work benefit claimants in Knowsley (both male and female) are receiving ESA/IB (70%) and this increases to 76% for male claimants.

Lone parent claims make up almost a quarter (23%) of female claims, but less than 1% of male claims. Meanwhile job seeker claims make up 15% of

all claims compared with 19% for males, and 12% for females. This shows that disability remains one of the key reasons for working age economic inactivity, while for females, being a lone parent is also a significant factor, as well as job seeking for males.

Table 5 shows that there are 5,770 fewer claims for key out-of-work benefits since 2005, with the largest fall in claimants occurring between 2013 and 2015. While claims for disability benefits and lone parent benefits have both fallen over the course of the ten year period, it is the reduction of 3,470 job seeker claimants since 2013 that has had the biggest impact on the numbers in recent years.

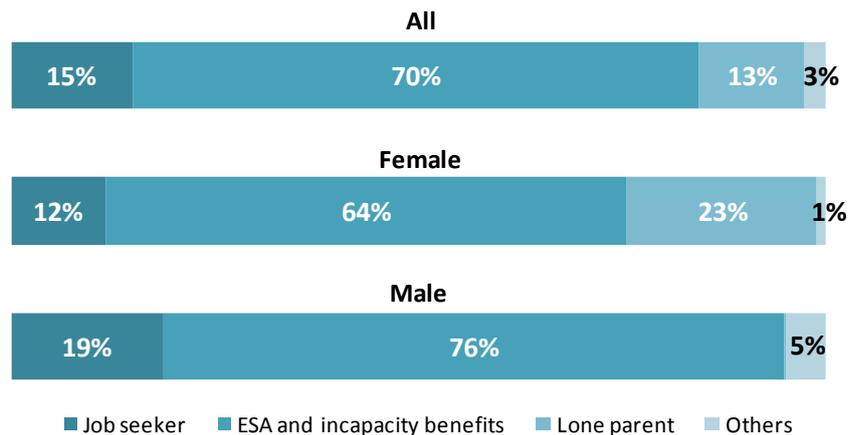
Table 5: Key out-of-work benefit claims in Knowsley

	2005	2007	2009	2011	2013	2015
All key out-of-work benefits	22,270	21,650	22,760	21,620	20,340	16,500
Jobseeker	3,510	4,100	5,980	5,940	5,920	2,450
ESA/IB	13,870	12,840	12,280	12,060	11,500	11,470
Lone parent	4,320	4,100	3,860	2,930	2,400	2,110
Other	580	610	640	680	520	460

Source: Department of Work and Pensions – benefit claimants (February)

Introduction of ESA in October 2010 has meant that existing claimants of Incapacity Benefit (and also some other benefits such as Severe Disablement Allowance) have

Figure 3: Reasons for claiming key out-of-work benefits (Feb 2015)



Source: Department of Work and Pensions – benefit claimants

needed to be assessed to determine whether they qualify for ESA, or are 'fit for work', moved onto JSA and expected to actively seek work.

As of March 2015, 6,640 existing IB claimants in Knowsley have been assessed, with a further 1,050 still to be assessed. So far 45% of those assessed have been found to have little capability for work or work preparation, and placed in the unconditional support group of ESA. A further 35% have been identified as having a 'limited capability for work' in the short to medium term, and placed in the 'work related activity group' of ESA. Those in this group are not expected to work, but are provided with help and support to prepare for work where possible. There are 2,160 ESA claimants (as of February 2015) who are in the 'work related activity group' of ESA and will require extensive support to prepare to re-enter the labour market.

1,300 claimants (20% of those assessed) have been found to be 'fit for work' and moved onto JSA. Evidence from local Jobcentre Plus staff suggests that these claimants have often been disengaged from the labour market for long periods of time and face numerous, complex barriers to finding employment (i.e. low levels of self-esteem and motivation, social isolation, dependency issues etc).

Based on this it would be reasonable to assume a corresponding increase in the number of JSA claimants since 2010, particularly when taking into account the impact of the financial crisis and subsequent recession. However the Government's focus on reducing long-term worklessness and getting jobseeker claimants into work (through the Work Programme and increased claimant conditionality) appears to be having some effect, with falling job seeker numbers in Knowsley since 2011 (table 5).

Universal Credit has been introduced across the country to replace a range of benefits including JSA, ESA/IB and Income Support. There has been a phased introduction in Knowsley since August 2014. Reported JSA claim numbers have been affected by this phased introduction and Table 6 shows that when out-of-work Universal Credit claims are taken into account, job-seeking claims have been increasing since November 2014.

Table 6: Jobseeker's Allowance (JSA) and out-of-work Universal Credit (UC) claims (Oct 14 – Jul 15)

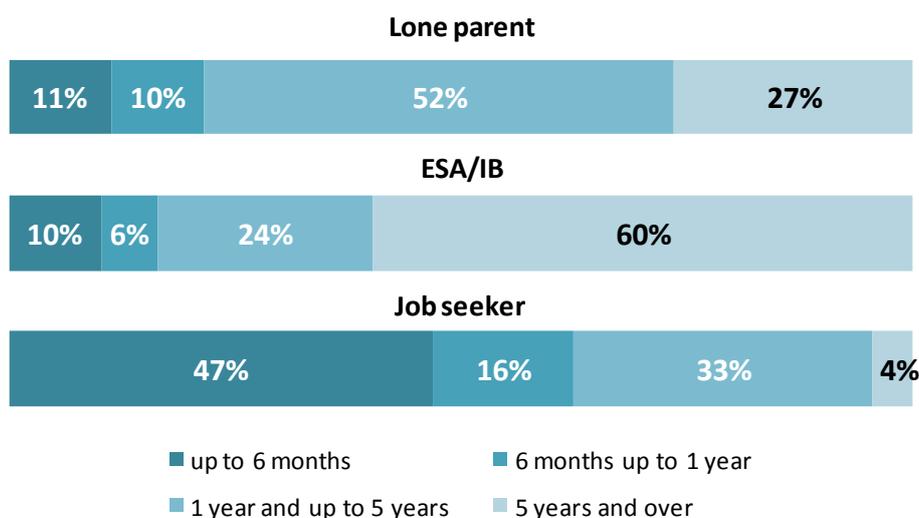
Claimants	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
JSA	2,920	2,687	2,599	2,587	2,544	2,441	2,350	2,263	2,232	2,093
UC	370	490	600	680	930	1,050	1,160	1,239	1,308	1,485
Combined	3,290	3,177	3,199	3,267	3,474	3,491	3,510	3,502	3,540	3,578
Rate (%)	3.5	3.4	3.4	3.5	3.7	3.7	3.7	3.7	3.8	3.8

Source: NOMIS claimant count and DWP Universal Credit statistics

Being out of work for longer periods of time can have an increasingly negative impact on a person's future employability, create barriers to re-entering the labour market, and therefore reduce the likelihood of eventually finding work. This in turn can lead to long periods of lower living standards, stress, anxiety and depression, unhelpful lifestyle choices, decreased physical activity and exacerbation of existing health problems.

Figure 4 shows that 84% of all claimants of ESA/IB, 79% of lone parent benefit claimants, and 37% of Jobseeker claimants have been in receipt for over a year. Furthermore, 60% of ESA/IB claimants, and 27% of lone parent claimants have been in receipt for over five years. This means that there are around 7,610 residents in Knowsley who have been in receipt of key out-of-work benefits for over five years, most (90%) of whom are in receipt of sickness and disability benefits. Long-term disengagement from employment makes this group particularly vulnerable if suddenly exposed to labour market conditions in line with reduced eligibility for ESA/IB and ongoing welfare reforms to out of work benefits.

Figure 4: Knowsley main out-of-work benefit claims, by duration (Feb 2015)



Source: Department of Work and Pensions – benefit claimants

How residents, communities, and stakeholders view this issue and impact on life experiences.

A range of local sources provide resident and stakeholder views around employment and unemployment. This includes local insight as well as academic or professional pieces of work. Overall findings indicate that employment and unemployment issues specifically affect people in different ways and there can be no 'one-size fits all' solution. Support for those who are out of work should as far as possible be tailored to each individual situation, particularly for the most complex cases.

Knowsley's quarterly Tracker Survey has monitored residents' views on a range of issues over a number of years. Results from the autumn 2014 Tracker Survey show that job insecurity is a major issue for residents, with 20% of respondents reporting that the potential loss of a job was one of their main financial concerns at that time.

A consultation workshop was conducted in August 2015 with ten residents and stakeholders from local disability and employment support organisations, to seek insight into the most important employment issues affecting people's health. Consultation questions were also distributed among a wide range of stakeholders in the Borough to seek the knowledge of employers, employment support organisations, the community and voluntary sector, housing, community and further education, and Jobcentre Plus.

Feedback suggests that employment is considered to be a very important driver of good health; both for financial reasons, and due to its positive impact on mental health. However, feedback also suggests that employment does not automatically lead to better health and people can sometimes be financially worse off due to the complexities of the in-work benefits system and due to the costs of childcare.

Employment is considered to be an issue intrinsically linked with housing and transport. A good quality housing environment can provide a firm basis to enable people to use local transport and access employment opportunities, whilst a job that pays a reasonable wage can enable people to save and invest in better housing.

A number of specific employment and unemployment related issues have been identified as having an impact on residents and their health:

Skills and qualifications

- Lack of qualifications, IT and basic literacy/numeracy skills can be a major barrier to people getting into work, especially those with disabilities.
- Digital inclusion support is crucial to enable people with low levels of IT skills to prepare for jobs.
- University education does not guarantee work; there needs to be an adequate supply of jobs to meet higher education skills.
- A need for Further Education and Apprenticeship provision to respond directly to current and future employer needs.
- A need for improved, accessible career advice to ensure residents can better plan their career pathways and develop the skills they need.

Support to find and sustain employment

- There can be an inherent lack of confidence amongst people who have been out of work for long periods, particularly amongst those with disabilities.
- Filling out conventional job application forms can be difficult for those with physical or learning disabilities.
- Support provided by Jobcentre Plus needs to be compassionate and take individual circumstances into account.
- Lack of feedback following unsuccessful job applications can leave people wondering why they were unsuccessful; with no propensity to improve.
- People with disabilities can fear or worry that they will receive lower levels of support once they are in work.

Support from employers

- Fair terms and conditions for employees can be considered an issue - such as a lack of Human Resource facilities, potential misuse of zero hour contracts, and businesses not allowing staff time to attend medical appointments or failure to provide sick pay (meaning that health issues are more likely to escalate, resulting in poorer outcomes and bigger implications for employers).
- Residents with disabilities can find it difficult to increase their hours of work due to inflexibility in employment practice.
- Employees can continue to work when not fit to do so due to fear of losing the job if they call in sick.
- Gaps in IT also affect productivity of business. For example resident insight suggests that a number of businesses in the Borough don't have effective IT systems.

- Unhealthy behaviours at work can be an issue, sometimes perpetuated by peers – including gambling at work, debt, smoking, alcohol and substance misuse, and lack of access to healthy food for employees.
- There are anecdotal reports of poor working conditions amongst some employers that are below accepted standards of health and safety, such as vermin infestations, lack hot of running water, no access to staff rooms, and little or no heating.

Transport

- Transport accessibility is highlighted as a key obstacle to employment for residents, particularly north/south between townships in the Borough, and into business park employment sites. For example some businesses and residents have reported that staff have difficulty in making it into work on time to start 6am shifts due to a lack of sufficient public transport or cancelled and delayed buses, particularly within business and industrial parks. This can lead to disciplinary action and dismissal.

Childcare

- Childcare for working parents is increasingly expensive, though there are a range of Central Government and locally sponsored initiatives designed to address this (see 'current service provision and actions' section below).

Getting by? - A year in the life of 30 working families in Liverpool

The Liverpool Mayoral Group commissioned a year long piece of research on working families with low incomes and published their final report in 2015. The research charts the experiences of thirty Liverpool families in low paid employment over the course of a year. Through regular in-depth interviews, it reveals the challenges faced in their daily lives during 2014. They are typical of many families across the Liverpool City Region and provide valuable insight into the 'real issues' being faced by low income working families through their own experiences.²

The evidence from the report offers valuable local insight in relation to low pay, employment conditions, the cost of childcare, transport and school costs, as well as the impact of low income on family health. Key issues highlighted include:

- Impact of cuts to in-work benefits (such as working tax-credits and housing benefit);
- Increasing prevalence of low pay, irregular and insecure work (zero-hour contracts);
- Lack of family life due to long working hours and pressure on relationships;
- Pressure to come into work when sick and unwell;
- Growing trend for employers to classify workers as self-employed meaning they lose out on sickness and holiday pay;
- Increasing cost of living compared with wages;
- Costs of childcare and transport;
- Stress, anxiety and mental ill-health exacerbated by worries over income;
- Physical ill health caused through long-hours of labour intensive work;

² Praxis (2015). Getting By? A year in the life of 30 working families in Liverpool.

- Ensuring a healthy family diet with a low income;
- Importance of good quality education and skills in getting better jobs.

Real Life Reform

The Northern Housing Consortium undertook a study to track how housing association tenants are coping with welfare reforms across the North of England over a period of 18 months. Welfare reforms are being introduced on the basis of helping people to move into and progress in work. The study reveals insight into emotional facts and experiences of people with low incomes who have been affected by the reforms.³

- Out of the households included in the study, 23.5% were in employment by the end of the study, and of them, fewer than one in five were in full-time work.
- 69% of the part-time employed households were looking for more hours, which had more than doubled over the course of the 18-month study.
- Only 20.7% of unemployed households were actively looking for work, most of who were short-term unemployed;
- Those in longer-term unemployment cited health, disability or caring responsibilities as the reason they cannot work;
- Volunteering and attending training were considered the two most useful types of support to help secure employment;
- Other forms of support considered effective include help with preparing CVs and preparing for interviews;
- After paying bills, unemployed households had more money left over than part-time employed households and those employed on zero-hour contracts.
- Participants expressed concern that welfare reforms were having a significant impact on their health and wellbeing.

³ Northern Housing Consortium (2015). Real Life Reform Report 6.

The scale of health and other inequalities

Comparison with national and regional averages and statistical neighbours

The economic activity rate of Knowsley's residents is lower than England as a whole at 71% compared with 77.6%. There is a shortfall of 6,060 economically active residents in Knowsley compared with England. The gap closed to 2.4% points in 2011/12, coinciding with Government policies to replace Incapacity Benefit with Employment and Support Allowance and also reduce eligibility for Income Support. These policies were likely to affect Knowsley residents to a greater extent due to historically higher levels of economic inactivity and claims for those benefits. Since mid-2011 the gap has increased again up to 6.6% points. This is mainly due to falling economic activity in Knowsley, driven primarily by an increase in long-term sickness and disability over the period.

The employment rate in Knowsley (65.6%) is lower than the overall England employment rate (72.9%), but level with the wider Liverpool City Region (65.8%). Knowsley would need a further 6,700 residents in employment to match England. Looking at the ten year trend from 2005, figure 5 shows that at 7.3% points the gap is currently smaller than in 2005, but has been increasing over the last 12 months. This suggests that the national economic recovery is not translating into job opportunities locally in Knowsley, and may continue to increase over the next five years.



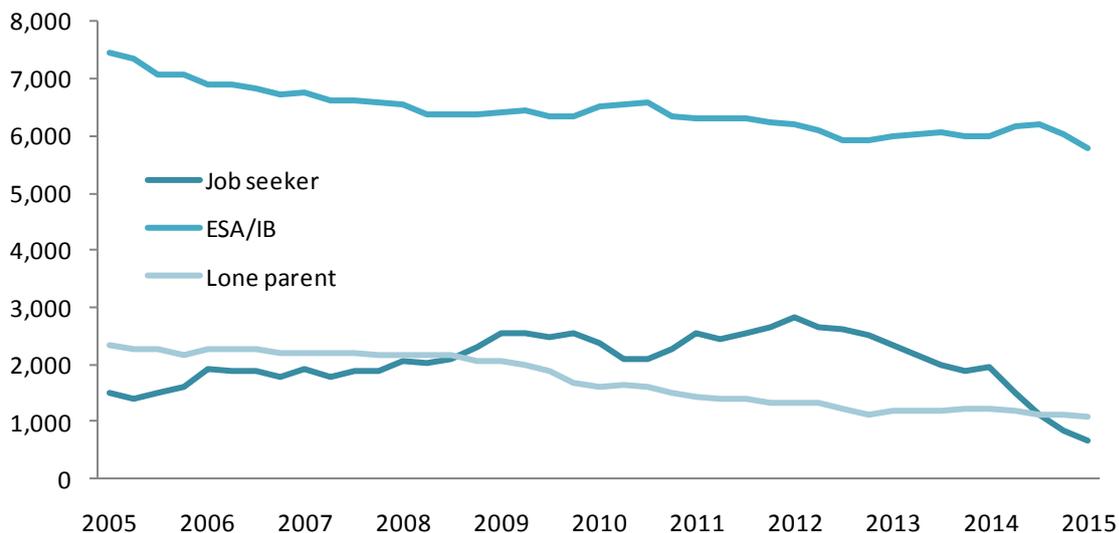
Source: NOMIS Annual Population Survey Apr - Mar

The unemployment rate in Knowsley is higher than England as a whole at 7.7%, compared with 6%, but lower than the wider Liverpool City Region rate of 8.4%. Knowsley would need 1,100 fewer unemployed residents to match the England rate. In the last ten years the gap with England closed to 0.8% points in mid-2009, before increasing again during the onset of the recession. The gap has been closing again since mid-2012, suggesting that as the national economic recovery has set in, there has been some level of success for Knowsley residents active in the labour market in finding work. However persisting levels of sickness and disability are driving an increasing gap in economic activity and overall employment.

The proportion of working age residents in Knowsley that are in receipt of a key out-of-work benefit is almost double that of England at 17.6% compared with 9.4%. It is also higher than the Liverpool City Region of 14.7%. This means Knowsley has 7,688 additional claimants of key out-of-work benefits compared with England, and 2,719 compared with the Liverpool City Region. The 'claimant gap' with England has been falling continuously since 2005 from 12.3% points to 8.2% points.

Figure 6 shows that the 'claimant gap' with England has fallen for each key out-of-work benefit since 2005. However, for ESA/IB, the main fall occurred between 2005 and 2010, and has remained more static since then. This is reflective of a static ESA/IB claimant rate across England and Knowsley since 2012, and means that following government reforms to disability and sickness benefits, a stable level of ESA/IB claims has emerged in Knowsley that remains higher than average. The longstanding issue of disability continues to be the main driver of economic inactivity, with little change since mid-2012.

Figure 6: Key out-of-work benefit claimant gap with England



Source: Department of Work and Pensions – benefit claimants

Differences between locations and population groups within Knowsley

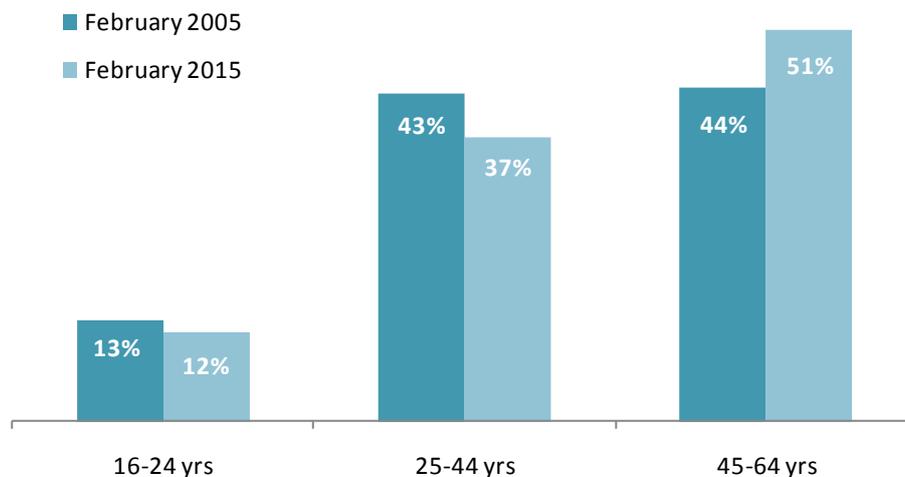
There are variations in the level of employment, unemployment, and benefit claims across different parts of Knowsley. According to the Census 2011, the highest concentrations of unemployment and economic inactivity are centred around Stockbridge, Page Moss and Longview in the Huyton partnership area, and Kirkby Central and Northwood within the Kirkby partnership area. The highest levels of employment and economic activity are in Halewood North, Roby, Swanside, and Whiston North. There are a range of factors which can have an influence on such geographic differences. For example, localised deprivation, cultural norms, educational attainment, skill levels, and transport access to employment locations.

In terms of different age groups, table 2 shows that the 16-24 age group are far less likely to be in employment compared with other age groups and just 43.5% of 16-24 year olds are in employment compared with 65.6% for the working age population as

a whole. This is influenced by the number of young people who are full time students, but the growing unemployment rate (table 4) of young people shows that youth unemployment remains a major issue for the Borough, and is mirrored across the whole country.

Figure 7 shows that key out-of-work benefit claimants in Knowsley are more likely to be aged 45-64 years of age compared with other age groups with 51% of all key out-of-work benefit claims made by that age group; an increase from 44% in 2005. The proportion of claims made by the 25-44 age group has fallen to 37% of all key out-of-work benefit claims, while claims made by 16-24 year olds has stayed consistent.

Figure 7: Knowsley main out-of-work benefit claims, by age



Source: Department of Work and Pensions – benefit claimants

Looking at individual key out-of-work benefits, changes have been driven by a major reduction in lone parent claimants aged 35-44 years of age, as older claimants whose youngest child is aged over five have been required by changes in Government policy to find work. It appears that the effects of this policy have stabilised in recent years with claims for Income Support by lone parents having levelled off since 2012.

As would be expected, the number of residents in receipt of ESA/IB has fallen across all age bands, but has been highest among the 35-44 and 45-54 age groups; leading to a corresponding increase in the number of older JSA claimants aged 45-54.

This suggests that the combined impact of the recession and changes to Incapacity Benefit has had a significant impact on the 45 and above age group. Anecdotal evidence suggests that many new jobseekers aged above 45 have been made redundant from jobs that they have held for a large number of years and that their lack of knowledge about the labour market and lack of experience in current application and interview processes are detrimental to their search for employment. Other barriers facing this group as they look for work include outdated or unrealistic expectations regarding salary and working conditions, a lack of confidence regarding the transferability of their skill set and low self-esteem following a redundancy experience.

Research indicates that people from ethnic minorities are more likely to live in a low income household, and will have been disproportionately affected by the rise in unemployment during the economic recession. Knowsley has an extremely small ethnic minority population at 2.8% of the overall population compared with 15% in all of England.

Impact on health due to being out of work

Unemployment is closely related to low income and evidence suggests that working-age adults in a workless household are more than twice as likely to have a low income as those in households with at least one adult in work.⁴ Poor health is one of the major problems associated with low income and can impact on living standards, nutrition, social fulfilment, and life chances of children.

The relationship between unemployment and negative health outcomes is complex, but there is overwhelming evidence that being in work is a key component of mental and physical well-being⁵. Unemployment increases the risk of cardiovascular disease and all-cause mortality by between 1.5 and 2.5 times. Poor mental health is a leading cause of worklessness and sickness absence in the UK, with work related stress causing employers to lose 13 million working days a year. Getting back into employment increases the likelihood of improved health (from poor to good) almost threefold, and doubles quality of life.⁶

Residents in Knowsley with a disability or long-term illness are far less likely to be in employment compared with England as a whole. Around 29.6% of working age residents who have a long-term health problem or disability (as defined by the Equality Act 2010) are in employment, compared with 47.8% across England, and 33.8% for the Liverpool City Region.⁷

Looking at the reasons for out-of-work benefit claims due to disability or illness, figure 8 shows that three types of health problem make up around three quarters of all ESA/IB claims. Mental and behavioural disorders comprise almost half of all claims for ESA/IB at 48%. This broad-ranging definition encompasses medical issues such as schizophrenia, stress-related disorders, behavioural disorders due to psychoactive substance use, symptomatic mental disorders and more.

Figure 8: Knowsley ESA/IB claimants by reason (Feb 2015)

Mental and behavioural disorders	48%
Musculoskeletal disorders	14%
Abnormal clinical findings	11%
Nervous System	5%
Circulatory System	4%
Injury and poisoning	4%
Respiratory System	4%

Source: Department of Work and Pensions – benefit claimants

⁴ Department for Work and Pensions (2015). Households Below Average Income 2013/14.

⁵ IDeA (March 2010). The social determinants of health and the role of local government.

⁶ The Kings Fund (2013). Improving the public's health - A resource for local authorities.

⁷ Office of National Statistics (2015). Annual Population Survey.

Residents suffering from musculoskeletal disorders (MSD) form the second highest group for ESA/IB claims at 14%. MSD is a group of conditions affecting bones, muscles and joints, such as arthritis, osteoporosis, back pain, and fall related injuries. They affect all age groups, but prevalence generally rises with age, and workplace injuries can be a contributor. A further 11% of claimants are out of work due to abnormal clinical findings which covers less well-defined conditions and symptoms for which no more specific diagnosis can be made.

The relationship between unemployment and mental health issues is well documented. People with mental health problems are much less likely to be in paid employment and people who have been unemployed for at least six months are more likely to develop depression or other mental health conditions.⁸ Only 3.5% of adults in Knowsley in contact with mental health services are employed, and the proportion of ESA/IB claimants suffering from mental and behavioural issues has increased over the previous ten years from 38% in 2005 to 48% in 2015, suggesting that there is an increasing challenge to assist residents with mental health issues into employment.⁹

Anxiety and depression issues can be compounded as periods of unemployment progress and a resident becomes more socially isolated. This can highly impact on a resident's aspirations and can have a negative effect on their long-term likelihood of finding work.

Impact of employment on health

Health within the workplace is important with around 200 people killed in work-related incidents every year, and 5,000 to 6,000 dying as a result of exposure to materials at work.¹⁰ Work can adversely affect an individual's health in five mainways: adverse physical conditions of work; adverse psychosocial conditions at work; poor pay or insufficient hours; temporary work, job insecurity or risk of redundancy; and job satisfaction and wellbeing.¹¹

Proactive steps to promote health and safety can improve employees' wellbeing, while also saving money. Sickness, absence and worklessness cost the British economy £100 billion a year, providing a significant incentive to get residents back into work. For every £1 invested in promoting wellbeing in the workplace to improve productivity and reduce worklessness, £9 savings are achieved. Evaluation of the local charity Tomorrow's People's 'Working It Out' initiative, supporting disadvantaged young people into jobs, training or further education, identified a £2.86 social return on investment for every £1 invested in the programme.¹²

The Health and Safety Executive suggest around a quarter of days lost through absence may be due to work-related ill-health. There has been a significant improvement in the past 30 years with the number of injuries suffered at work decreasing by 70% since the introduction of the Health and Safety at work Act 1974.

⁸ Centre for Mental Health (2013). Barriers to employment: What works for people with mental health problems?

⁹ Health and social Care Information Centre (2015). Adult Social Care Outcomes.

¹⁰ IDeA (March 2010). The social determinants of health and the role of local government.

¹¹ Public Health England (2015). Promoting good quality jobs to reduce health inequalities.

¹² Knowsley Public Health Team (2012). Knowsley Public Health Annual Report 2011/12.

Some of this is a result of the decline of heavy industry and manufacturing, but much of the decrease is due to better management of health and safety in the workplace.¹³

Different industries are likely to be associated with different patterns of work-related ill-health. For example, 'construction' and 'manufacturing' are more likely to be associated with musculoskeletal conditions, whereas 'banking, finance and insurance' are closely associated with mental ill-health. Therefore preventative measures need to be tailored to the industry sector rather than 'one size fits all', though nearly two thirds of those who flow from employment onto sickness related benefits have a mental health condition or musculoskeletal disorder.

Being self-employed can have a potentially negative effect on both income and health and wellbeing. There has been a local rise in self-employment over the last ten years from 8% in 2005 to 10% in 2015, and coincides with a similar rise across England from 12% to 14%; a result of a structural adjustment to the business and employee base of the economy as a whole. Correspondingly, average earnings of self-employed across England have experienced a major fall compared to employees. When inflation is taken into account, self employed weekly earnings are 20% lower than they were in 2006/07, while employee earnings have fallen by 6 percent. Self-employed residents are also at higher risk of being unable to maintain living standards when times are tough. For some self-employed people, irregular income, lack of access to basics such as sick pay, housing, credit, pensions and savings, can make coping during difficult times harder, and have a corresponding impact on physical and mental health compounded by high levels of pressure and stress.¹⁴

Higher employee earnings are strongly linked to good health and wellbeing. The average full-time wage of a Knowsley resident is £60 per week lower than the England average of £524, and the average part-time weekly earnings of Knowsley residents is £149 per week compared with £161 per week for England.

In the UK, industrial sectors with the lowest pay are 'hotels and catering', with more than half of all employees working in those sectors earning less than the national Living Wage of £7.85 per hour. Following this, around a quarter of employees working in the 'administrative and support services', and 'retail and wholesale' sectors earn less than £7.85 per hour, as well as around 10% working in 'manufacturing'¹⁵. Figure 2 shows that close to a third of Knowsley's residents are employed in these low paying industrial sectors.

In most sectors, the majority of low-paid employees are women, though 'manufacturing' is an exception to this. Much of the low pay in 'hotels and catering' and 'retail and wholesale' is in the younger under-25 age group.¹⁶

¹³ Black, D (2008). Working for a healthier tomorrow. Crown copyright.

¹⁴ Resolution Foundation (2014). Just the job – or a working compromise? The changing nature of self-employment in the UK.

¹⁵ Office of National Statistics (2014). Annual Survey of Hours and Earnings 2014.

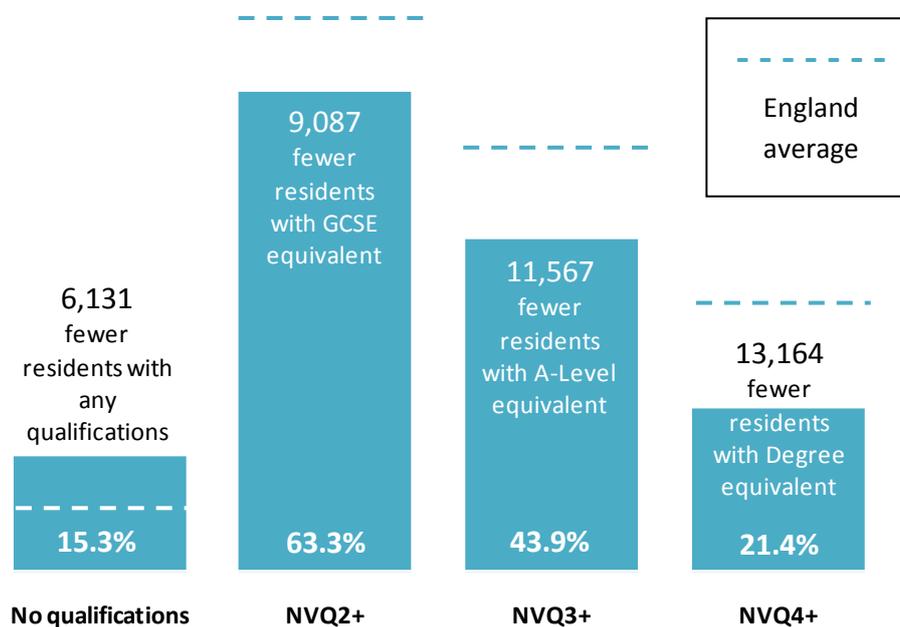
¹⁶ Joseph Rowntree Foundation (2013). <http://data.jrf.org.uk/data/low-pay-age-industry/>

Current service provision and actions

Asset assessment – people, facilities, and funding

Improving skill levels is one of the fundamental ways that a person can secure higher paid employment and improve their earnings. Just over 60% of Knowsley's working age population (58,100 residents) have skills levels equivalent to GCSEs or above (NVQ2+), 43.9% are trained to at least A-Level standard (NVQ3+), and 21.4% to degree level (NVQ4+). However figure 9 shows that these levels are significantly lower than the rates for England, and Knowsley would need increasing numbers of residents qualified across all skill levels to catch up with rates across England.

Figure 9: Knowsley working age population qualifications gap with England



Source: NOMIS Annual Population Survey Jan – Dec 2014

Younger residents are much more likely to be qualified than adults above 40 years of age, and therefore better equipped to compete in the Liverpool City Region labour market. However local employer insight suggests that lack of relevant work experience acts as a barrier for young people finding work.

Good literacy and numeracy are the foundation to further study and employment, and those who attain good GCSEs are more likely to progress into higher levels of learning and skilled employment. There has been a longstanding gap between Knowsley and England for the proportion of pupils achieving 5 A*-C GCSEs including English and maths, but the gap has been closing in recent years. In 2014 35.4% of pupils in Knowsley achieved this, compared with 53.4% across all of England.

Closing the skills gap is important to enable Knowsley residents to take advantage of job opportunities and the Liverpool City Region's Skills for Growth work highlights that it is essential for residents to be able to access relevant and timely educational

provision that has been co-designed with employers.¹⁷ Further education, higher education and apprenticeships are all important types of provision that allow residents of all ages to gain the skills necessary to compete for jobs.

Further and higher education provision

Further education - Further education plays an important role in increasing adult skill levels and includes any study after secondary education that is not part of higher education. Further education is delivered in a range of settings such as Further Education Colleges, independent training providers, adult community learning service, and school sixth forms. In 2013/14 there were 15,630 Knowsley residents who participated on funded further education courses across four types of provision (Education and Training, Workplace Learning, Apprenticeships, and Community Learning). The largest providers of further education provision to Knowsley residents are Knowsley Community College, City of Liverpool College, Knowsley Council Adult Learning Service, St.Helens College, Carmel College, Riverside College, Learndirect, and Avanta Enterprise; collectively accounting for 55% of all further education enrolments by Knowsley residents in 2013/14

Apprenticeships - Government reforms to funding of apprenticeships in the last five years have aimed to incentivise employers and providers to increase the number of apprenticeships across the country. Provision has been increasing across the Liverpool City Region, and data for 2013/14 shows that there were 2,010 starts on Apprenticeship courses at all levels, and 1,290 qualifications achieved.¹⁸

The Liverpool City Region Apprenticeship Hub was established to increase the awareness of, the number of, and the quality of apprenticeships available to residents by supporting and co-ordinating apprenticeship activities. The Hub provides a single apprenticeship brand for the Liverpool City Region and a website that brings together information for apprentices, parents, schools and employers.

Higher education - Data for 2012/13 shows that 36% of the 470 young people in Knowsley who completed an A Level or equivalent level 3 qualification went on to study at a higher education institution, compared with 49% across all of England. A further 5% moved onto a work based apprenticeship, while 22% progressed to a further education college.¹⁹

Local employment and skills provision

Liverpool City Region Employment and Skills Board - The Board acts on behalf of the Local Enterprise Partnership and Combined Authority to provide City Region leadership on employment and skills. The board works with employers, commissioners and education providers to understand issues faced by residents seeking work, and works with providers to address those issues.

Knowsley Works - Provides a localised service across two locations in Knowsley to support residents into employment through information, advice and guidance, as well

¹⁷ Liverpool City Region Labour Market Information Service (2015). <http://www.lcrskillsforgrowth.org.uk/>

¹⁸ Skills Funding Agency (2015). FE data library.

¹⁹ Department for Education (2015). Destinations of key stage 4 and key stage 5 pupils.

as job brokerage and apprenticeships. The service also delivers sub-contracted provision for the Work Programme, Families Programme (ended August 2015), Youth Employment Gateway and Workroutes (ended July 2015).

Knowsley Apprenticeship Programme - Aims to help create local apprenticeships by providing a combination of financial incentives for businesses to invest in apprenticeships, as well as wrap-around support to young unemployed residents.

Family and Community Education Service (FACE) - FACE is Knowsley Council's adult learning service and delivers accredited and non-accredited day and evening courses (on a part-time funded basis) across a range of locations in the Borough (secondary schools, children's centres, libraries, some primary schools, and community outreach venues.)

Knowsley Family Learning Service - Is responsible for development, management and delivery of a programme of family learning and parenting courses and activities. They are for parents, carers and children and are run at schools, children's centres and community venues.

Stronger families - A targeted Borough wide service for families with children aged 11-18. It is part of the national programme targeted at families affected by worklessness, juvenile offending and absence from school. Phase 2 will expand the programme to include families with children aged 0-18 and widen the list of problems that make a family eligible. The scheme includes dedicated Employment Advisors.

Healthy Homes - A programme that targets areas with the poorest quality housing and health for intervention through a front line door-knocking service. The service identifies resident issues and makes suitable referrals into a range of different existing local services, including education, employment and training.

Mental Health Inclusion Service - The service assists adults with mental health problems and the key outcome of the service is to enable residents with mental health problems to enter employment. It includes a key work strand to provide structured support packages of advice and guidance to access and sustain educational, training and employment opportunities. This includes practical assistance around CVs, application forms, interview practice and rapid job search techniques.

Working Well - A local service to support local organisations in improving the health and wellbeing of their employees, and assist with compliance to health and safety legislation. Businesses that sign up to Working Well standards agree to six health commitments and a programme of grants for businesses also runs alongside to support them to achieve the standards. Absence management has been a key project and workshops have been run with employers to include drug and alcohol awareness, mental health and gambling. Awareness has also been raised amongst employers around health promotion, discounted gym and sports memberships, and healthy eating.

Tomorrows People – A registered charity that offers a number of different programmes. 'Working It Out' is a four-month programme for unemployed 16-24 year-olds to develop responsibility, write CVs, practice interview skills, and complete

applications for jobs or college. 'Knowsley Positive Progress' supports long-term unemployed and people with health-related issues to find suitable training, voluntary or paid work. 'Getting Out To Work' supports offenders and ex-offenders into employment, further education or training.

Centre 63 – A Church of England Youth Centre in Kirkby that provides informal and community education to young people as well as volunteering placement opportunities and employment advice.

United Response – A registered charity that delivers support for people with learning disabilities, mental health needs, and physical disabilities, including help to find a job.

Activate – A registered charity that delivers education programmes for young adults aged 19-24 with learning difficulties and disabilities, including an employability programme commissioned by Knowsley Council, and study programmes focussed on vocational skills funded by the Education Funding Agency.

National employment support

Work Programme - A system of sub-contracted provision of intensive support for up to two years to help individuals prepare for, and find work. It is mandatory for long-term job seekers and some ESA claimants and includes participation in mandatory work activity.

Community Work Placements - A mandatory scheme for jobseekers who have completed the Work Programme and not found employment. The scheme requires jobseekers to participate in a work placement of community benefit for 30 hours a week for up to six months, alongside additional jobsearch activities of 4 to 10 hours per week.

Youth Contract - A package of schemes to support 16-24 year olds into education and training, including wage subsidies for employers to take on long-term job seekers and a programme to help persistently NEET 16 and 17 year olds. The Liverpool City Region Growth Deal invited the City Region to use Youth Contract underspend to test out a personalised budgets pilot for young unemployed people.

Sector-based Work Academies - An element of the Youth Contract that offers some 18-24 year old job seekers a mixture of training, work experience and a job interview at a local firm.

New Enterprise Allowance - Financial support for up to 26 weeks to help out-of-work benefit claimants to set up a business.

Skills for care – Can provide funding to social care service users who use personal budgets to employ personal assistants to support the full costs of training and development for themselves and their personal assistants.

National disability employment support

Work Choice - A sub-contracted alternative to the Work Programme that offers personalised support for people with disabilities and complex disability-related barriers to move into employment.

Access to Work - A scheme to help people with a disability into sustainable employment with a specific focus on those who are in work or about to start work. The scheme can pay for extra costs which arise because of their disability.

Disability Employment Advisors (DEAs) - Jobcentre Plus provide DEAs to give help and support specifically targeted at people with disabilities and set out a plan of action to gain new skills and find work including referral to other Jobcentre Plus schemes.

Other national support

16-19 Bursary Fund - An Education Funding Agency scheme to help with education costs for the most vulnerable 16-19 year olds in full time education.

Apprenticeship Grant for Employers - A Skills Funding Agency grant for employers who would not otherwise be in a position to recruit 16-24 year olds into employment through an apprenticeship programme.

National Careers Service - Provides information, advice and guidance to help people make decision on learning, training and work opportunities.

Care to Learn – Care to Learn can help with the cost of childcare while studying, up to £160 per week including holiday childcare for older children. Care to Learn is available for parents under 20 at the start of their course. The course must be a publicly funded course in England including schools, 6th forms in schools or colleges and other providers in the community including Children's Centres. The childcare provider must be registered with Ofsted.

Financial support for childcare – There are a range of national schemes that can help working parents pay for childcare. This includes: free early years education places for all 3-4 year olds and the most disadvantaged 2 year olds; financial support for childcare under Working Tax Credits and Universal Credit; employer childcare vouchers; and the forthcoming tax free childcare scheme.

How expected trends are likely to impact on service provision

Population change

Projected demographic change presents a major issue in Knowsley. It is projected that the number of people over the age of 65 will increase by 50% by 2037, while the working age population will fall by 11%. This means around 10,000 fewer working age residents by 2037. In terms of employment, this will increase demands to replace skills lost through retirements across all occupations and make it essential that young people entering the labour market are suitably positioned to meet those demands, particularly in skilled jobs that require vocational training.

Residents in employment

As the national economy has emerged from the recession, the employment rate has been increasing both nationally and for Knowsley residents. However, Knowsley's employment gap with England has been increasing over the last 12 months with a current shortfall of 6,700. This suggests that the national economic recovery is not effectively translating into job opportunities locally in Knowsley. The number of employee jobs²⁰ across the Liverpool City Region has remained largely static over the last five years, which means Knowsley's employment gap could continue to increase over the next five years unless there is a clear growth in local jobs available, and Knowsley residents are suitably skilled to take advantage.

Jobs growth

The Liverpool City Region has been able to benefit from a range of growth enablers offered by central government such as the Liverpool City Region Growth Deal and ongoing devolution developments. Forecasts commissioned for the Local Enterprise Partnership indicate long-term growth in employment up to 2030. The forecasts suggest a potential for up to 20,000 additional jobs focussed on the following City Region priority growth sectors:²¹

- Low Carbon;
- Advanced Manufacturing;
- Digital and Creative;
- Life Sciences;
- Professional and Financial;
- Visitor Economy; and
- SuperPORT.

Jobs in these growth sectors will be high value and require residents with higher skill levels. The projections indicate a specific growth in demand for customer service skills, maritime and port operation careers, recruiting and training a younger heavy goods vehicle driver workforce, experienced technical engineering staff (through apprenticeships), 'Science, technology, engineering and maths' graduates and professional staff, work ready skilled chefs, and frontline staff with language skills.

There is currently a growth in the Early Years and Childcare job sector to meet the Government's priorities in extending the free entitlement of education and childcare for 2, 3 & 4 year olds.

Welfare reform

Welfare reforms have already had a significant impact on out-of-work residents in Knowsley, but there are still some major changes to come. Universal Credit (UC) was introduced in Knowsley in August 2014 and is being rolled out across the country. Existing claimants of out-of-work benefits will eventually be phased over to UC. While the full impact of UC is not yet fully known, as out-of-work claimants are transferred over it is likely there will be an increased demand for local support such as 'Universal Credit Universal Support' services, particularly relating to existing longer-term and ESA/IB claimants who may have more complex needs. There will

²⁰ Office of National Statistics (2015). Business Register and Employment Survey.

²¹ Oxford Economics (2014). Liverpool LEP Economic Outlook.

also be an increasing need for extra support for claimants who are not accustomed to budgeting on a monthly basis, and specifically around housing payments (which are included as a single overall benefit payment under UC.)

There are still around 1,050 residents claiming IB that will need to undergo the work capability assessment. Re-assessment rates up to now indicate that 35% could be placed into the Work Related Activity Group, and 20% assessed as 'fit for work' and expected to immediately re-enter the labour market. This will require continued provision of employment support targeted at this group, who have mostly been out of work for at least five years, and of whom 41% are claiming due to a mental and behavioural disorder.

Summer Budget 2015

The Government announced a number of measures as part of the summer 2015 Emergency Budget that will have a significant impact on employment and unemployment in Knowsley.

- A compulsory National Living Wage for those aged over 25 of £7.20 per hour from April 2016, with the aim to increase up to 60% of average earnings by 2020. While this will help increase income for the lowest earning residents, it could also place financial pressures on jobs in the City Region given the volume of lower-skilled and lower-paid roles in the economy. It could also have a positive impact on youth unemployment if employers opt to recruit younger employees aged below 25.
- Limit public sector pay increases to 1% up to 2020. With 29% of Knowsley's employee population working in the public sector, this will have a disproportionate impact within Knowsley, particularly if inflation rises in the next five years.
- Creation of 3 million new apprenticeships by 2019/2020.
- Student maintenance grants will be replaced by loans repayable when graduates start to earn above £21,000. This could potentially deter students from less-well off families from entering higher education, but could also lead to more young people opting for vocational routes.
- Working age benefits frozen for four years.
- Lone parent benefit claimants will be expected to prepare for work when their youngest child turns two, and look for work when they turn three. This means there will be more demand for employment services and for childcare places.
- ESA claimants in the Work-Related Activity Group will receive the same amount of benefit as JSA. In current prices this represents a loss of £29 per week.
- Annual household benefit cap will be reduced to £20,000, which includes ESA/IB, Income Support and JSA.

Evidence of what works locally and elsewhere

Local policies and programmes that increase levels of employment will be of significant health benefit to individuals, communities and the Borough as a whole. Meaningful employment and training for young people, such as apprenticeships is particularly important to prepare for a life of work, and reduce the risk of depressions and other mental health problems.

Tackling unemployment

There has been a great deal of research conducted over many years into tackling long-term unemployment, and approaches that have been proven most effective. However approaches to tackle unemployment need to be responsive to changing economic and labour market conditions, and the examples below highlight some more recent reports on research and best practice.

Long-term unemployment tends to affect those who are already most disadvantaged such as those with disabilities or low skills. The OECD's 'Tackling long-term unemployment amongst vulnerable groups' report sets out that successful interventions need to be: targeted at specific groups, flexible towards needs, person centred and personal, properly resourced, long-term, collaborative, and well evaluated. The report also argues that job creation alone is not enough as even low skilled jobs can end up taken by those who are better qualified, and therefore job creation has to be backed up with job search support, recruitment subsidies and work experience.²²

The Centre for Social Inclusion's 'Worklessness, welfare and social housing' report found that tenants of social housing are less likely to be in work than those living in other tenures, and therefore the Government and housing associations should adopt five evidence led-programmes of intervention:

- A targeted series of 'skills academies', including work based training programmes;
- A 'Jobs-Plus' scheme to combine on-site employment services, personal advisor support and peer mentors;
- Intensive support for those furthest from employment;
- An 'Intermediate Labour Market' programme, creating additional jobs for disadvantaged residents; and
- A new temporary, targeted financial incentive, targeted at those facing barriers or costs to returning to work.²³

A review of evidence conducted by the London School of Economics found that punitive approaches that force claimants to work for benefits, or undertake compulsory work, such as those adopted by the present government may move some people even further away from the job market.²⁴

The National Foundation for Education Research's review of literature and found that interventions targeted at young unemployed people should be grouped into those who are open to learning, those unemployed for sustained periods, and those undecided on their career path.²⁵

The Liverpool City Region Employment and Skills Board's Youth Unemployment Task Force found that many young people are less likely to be able to find their own

²² OECD (2013). Tackling long-term unemployment amongst vulnerable groups.

²³ Centre for Social Inclusion (2015). Worklessness, welfare and social housing.

²⁴ LSE (2014). Tackling long-term unemployment. <http://cep.lse.ac.uk/pubs/download/cp416.pdf>

²⁵ Nelson, J and O'Donnell, L. (2012). Approaches to Supporting Young People Not in Education, Employment or Training: a Review. NFER.

jobs and that job brokerage is extremely important to this age group. There is a need for greater support for young people.²⁶

Policy Exchange argue that older people will play an increasingly important role in the labour force and that there is a need for support to be better targeted at the needs of the over 50 age group with a new approach to retirement and work experiences to help older workers sample new areas.²⁷

Employment support for people with disabilities

The DWP's 'Disability and Health Employment Strategy' states that the Government's approach to the employment of disabled people and those with health conditions is moving away from supporting individuals into segregated employment, with a renewed focus on personalised employment support.

The DWP's report on 'What works for whom in helping disabled people into work?' sets out that whilst there is an overall lack of robust evidence, there is evidence of the success of some interventions, particularly supported employment programmes, flexible and accommodating workplaces, and return-to-work planning. The review also highlights that interventions should focus on both individuals and employers, availability and awareness are important, early intervention is key, and employment interventions are only one element of the range of possible initiatives.²⁸

There is currently little UK-based evidence available regarding employment outcomes specifically for people with mental health problems and therefore there is a need to develop a robust local evidence base for employment and skills and healthcare provision.

Early intervention is widely considered to be beneficial in reducing the risk of sickness absences becoming long-term, particularly for people with mental health conditions. Evidence suggests that interventions are likely to be more effective in the early stages of mental ill-health.

Rand Europe's 'Psychological Wellbeing and Work: Improving Services and Outcomes' report sets out evidence for the best approach to get people with mental health problems into work, and maintain them in work. It identifies the following interventions as most likely to be effective:

- Provide early access to evidence-based treatment and/or employment support for a greater number of individuals with common mental health problems; and
- Encourage the co-location or integration of employment advice and mental health treatment services in order to provide employment advice as early as possible.²⁹

The Shaw Trust's review of disability employment support finds that the most robust evidence on successful interventions comes from evaluations of the Supported

²⁶ Liverpool City Region Labour Market Information Service (2013) <http://www.lcrskillsforgrowth.org.uk/>

²⁷ Tinsley M (2012). Too much to lose: Understanding and supporting Britain's older workers. Policy Exchange.

²⁸ DWP (2013). What works for whom in helping disabled people into work?

²⁹ Stolk C, Hofman J, Hafner M, and Janta B (2014) Psychological Wellbeing and Work – improving service provision and outcomes.

Employment and Individual Placement Support model, which is designed to offer support to people with long-term mental health conditions and learning disabilities.³⁰

The Centre for Mental Health's publication 'Barriers to Employment: What Works for People with Mental Health Problems' strongly advocates the use of Individual Placement and Support in helping people with serious mental health conditions to overcome the barriers to finding paid work, and suggests that Cognitive Behavioural Therapy is consistently successful in increasing motivation and self-efficacy in a job-seeking context.³¹

Sustainable and well-paid employment

The Policy Exchange's 'No worker left behind' report examines the causes of changes to ordinary wages, employment and inequality since the 1970s and recommends three long-term reforms to ensure that ordinary workers share the benefits of economic growth: everyone in full-time work should receive a Living Income by aligning thresholds for Income Tax and National insurance with the Minimum Wage, alongside targeted increases in Universal Credit. Everyone should have a second chance to find a new career by giving everyone an online lifelong learning account and free access to accredited online courses to enable a true culture of lifelong learning. Lastly the Government should create public ownership of the economy through a new generation of Premium Bonds.³²

The Joseph Rowntree Foundation's 'What do low-paid workers think would improve their working lives?' report explores experiences and perceptions of low-paid workers in the retail, hospitality and care sectors, and proposes a number of suggestions that employers should undertake to improve the wellbeing of employees: pay a Living Wage; only offer zero-hours contracts when in the employee's best interests; explore options for sick leave beyond the statutory minimum; and reconsider how to promote progression opportunities.³³

The Joseph Rowntree Foundation's "Future of the UK labour market" report identifies that the UK has a large number of lower-paid, lower-skilled jobs compared to other developed countries. Important local actions that can ensure the local population are able to take up new employment opportunities include increasing employer demand for skills, linking disadvantaged residents with employment opportunities, promotion of a local living wage, financial inclusion initiatives, and flexible local employment programmes. There is also a strong role for place based factors such as infrastructure development, transport accessibility, job location, and housing developments.³⁴

The Resolution Foundation's 'Starting Out or Getting Stuck' report identifies a number of contributing factors to remaining in low pay. In addition to part-time employment, these factors include frequent job moves and working for small businesses (particularly in elementary and process/plant roles or in the manufacturing, retail and service sectors.) The key factors associated with

³⁰ Shaw Trust (2013). Making work a real choice: where next for specialist disability employment support?

³¹ Centre for Mental Health (2013). <http://www.centreformentalhealth.org.uk/briefing-47-employment>

³² Dupont J (2015). No worker left behind: how to improve pay and work for the low paid. Policy Exchange.

³³ Joseph Rowntree Foundation (2015). What do low-paid workers think would improve their working lives?

³⁴ Joseph Rowntree Foundation (2014). Cities, growth and poverty: a review of the evidence.

progression out of low pay are stable long-term employment, and public sector employment.³⁵

Findings from the Liverpool City Region Labour Market Information Service's Annual Report 2013 (and the wider Skills for Growth work undertaken by the Employment and Skills Board) show that, in order to truly develop sustainable careers in the Liverpool City Region's economic growth sectors, it is essential for residents to be able to access relevant and timely training provision that has been co-designed with employers. Local employers, training providers and wider stakeholders can inspire residents' learning choices to help them develop sustainable careers.³⁶

Healthy employment

Sickness absence and worklessness cost the British economy £100 billion a year, providing a significant incentive to get residents back into work. For every £1 invested in promoting wellbeing in the workplace to improve productivity and reduce worklessness, £9 savings are achieved. Evaluation of the local charity Tomorrow's People's 'Working It Out' initiative, supporting disadvantaged young people into jobs, training or further education, identified a £2.86 social return on investment for every £1 invested in the programme.³⁷

NICE guidance on sickness absence and incapacity for work recommends that a multi-disciplinary and multi-agency approach is needed to help employees with health conditions get back into work, or to stay in work. Employers should coordinate and support health, occupational or rehabilitation interventions or services recommended by relevant specialists. The guidance also recommends that employees should be encouraged to contact their GP or occupational health service for further advice on their health in the workplace. People with a poor prognosis for return to work are likely to benefit most from 'intensive interventions and services'.³⁸

Further NICE guidance on improving health and wellbeing of employees recommends that employers should make health and wellbeing a core priority for the top management of organisations, and incorporate health and wellbeing in all relevant corporate policies and communications. Workplace practices should reflect statutory requirements and existing best practice. Organisations should create a supportive environment for mental wellbeing, and refer to the principles of the Health and Safety Executive's 'Management standards for work related stress'.³⁹

Public Health England produce a range of papers highlighting evidence for interventions on issues that lead to poor health, and practical tips for dealing with those issues. The papers that have most relevance to employment and unemployment are:

- Reducing the number of young people not in employment, education or training;

³⁵ Hurrell A (2013). Starting out or getting stuck? An analysis of who gets trapped in low paid work and who escapes. Resolution Foundation.

³⁶ Liverpool City Region Labour Market Information Service (2013) <http://www.lcrskillsforgrowth.org.uk/>

³⁷ Liverpool Public Health Observatory (2012). Assessing the Impact of the Economic Downturn on Health & Wellbeing.

³⁸ NICE (2009). Managing long-term sickness and incapacity for work. NICE guidelines [PH19]

³⁹ NICE (2015). Workplace policy and management practices to improve the health and wellbeing of employees [NG13].

- Adult learning services;
- Workplace interventions to improve health and wellbeing;
- Working with local employers to promote good quality work;
- Increasing employment opportunities and retentions for people with a long-term health condition or disability;
- Increasing employment opportunities and retention for older people;
- Health inequalities and the living wage.⁴⁰

Suggested actions to improve health and reduce inequalities

Knowsley Council and Knowsley Clinical Commissioning Group should act as a 'healthy employer' and support other employers to;

- Become 'Living Wage' employers;
- Provide equal employment opportunities for vulnerable groups;
- Develop systems to rapidly recognise and manage ill health;
- Develop a healthy workforce, including promotion of healthier food, smoking cessation services, active travel, physical activity, mental health, flexible working.

Provide health-related employment support including:

- Placing employment advisors in GP clinics;
- Employers to offer work placements to those with long term health conditions, unemployed young people, older and vulnerable residents;
- Training to increase skills;
- Support intermediate labour market initiatives;
- Specialist support and mentoring for people with mental health problems; and
- Life-long learning opportunities.

⁴⁰ Public Health England (2014). Local action on health inequalities: evidence papers.