



LONDON

RACE EQUALITY IN EMPLOYMENT BRIEFING

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Editorial

Welcome to the December issue of the *Race Equality in Employment Briefing* for London. The continuing economic uncertainty and job losses in the public sector mean that unemployment and claimant rates are rising, and they are rising faster for Black and Minority Ethnic (BME) people. The most recent figures from the Office for National Statistics (October 2011) show that the number of people in London claiming Jobseekers Allowance (JSA) has risen for white and BME groups, but the increase for BME groups has been greater. Over the six months to November 2011 BME groups accounted for 61% (7,910) of the increase across all claimants in London¹. BTEG is particularly concerned about the rise in the number of young people aged 16 to 24 who are unemployed, which has now reached over one million. Figures for London also show that mixed race young people aged 16-19 years are four times more likely than white young people to be NEET (not in employment, education or training). A key plank in the Coalition's economic recovery strategy is the reform of the benefit system as well as tackling the problem of large numbers of young people out of work. In this issue we take a closer look at the Apprenticeship approach and the Work Programme in London. In Issue 2 we welcomed the news from the Mayor's office about the success of the campaign to create 20,000 new Apprenticeship places in London; however, London still lags behind other regions in terms of Apprenticeship places. So while London is increasing the level of BME participation in Apprenticeships, the relatively low number of Apprenticeships in London means that the actual number and national proportion of BME Apprentices remain low. The Work Programme was launched in June 2011 and will have far reaching implications for London's JSA claimants, fifty per cent of whom are BME. We intend to keep this programme under review over the coming months as the programme rolls out.

Key boroughs

In this, and future *Briefings*, BTEG will be focusing on 15 boroughs that have significant number of BME jobseekers. These boroughs are also ranked high on the Index of Multiple Deprivation and have low employment rates compared to the London average (see Table 1 below). Having a focus on these boroughs will help BTEG to gauge the effectiveness of any interventions aimed at increasing the BME employment rate. The key boroughs account for over half of the BME job seekers in London and all have a BME population of over 25 per cent or more. We think that marked improvements for BME jobseekers within these boroughs will improve London's employment position overall. The key boroughs we have selected are listed in Table 1.

¹ JSA claimants by ethnic group: London boroughs, Claimant Count, ONS, updated November 2011, cited in www.lseo.co.uk (accessed 12th December 2011)

Table1: Selection matrix for identifying the key London boroughs

Local Authority area	Selection criteria			
	BAME profile (%) ²	IMD/LSOA ranking ³	Employment rate (age 16-64) ⁴ (%)	Unemployment rate (age 16-64) ⁵ (%)
1. Enfield	32	16	63.2	9.8
2. Haringey	36	7	64.7	8.8
3. Waltham Forest	43	5	67.4	12.2
4. Greenwich	35	10	66.7	8.2
5. Barking & Dagenham	32	6	62.1	13.0
6. Lambeth	37	8	72.4	11.2
7. Lewisham	41	9	67.7	10.3
8. Southwark	38	12	68.4	11.0
9. Brent	59	11	62.7	8.8
10. Hackney	41	1	69.0	10.3
11. Islington	26	4	66.6	7.4
12. Newham	72	2	53.7	14.7
13. Tower Hamlets	49	3	59.7	12.9
14. Redbridge	50	22	65.1	9.7
15. Hammersmith & Fulham	25	13	68.5	6.5

Through the *Race Equality in Employment Briefings* we want stakeholders such as local authorities, work-based providers, employers, work programme providers, Jobcentre Plus and BME service providers working with BME groups to consider:

- How they are meeting the needs of unemployed BME people within their localities;
- How they are securing the best opportunities for those who need it most;
- The evidence based practices that are effective and make a difference.

We welcome your comments on the issues presented in this *Briefing*. We are keen to include examples of good practice in promoting race equality in employment and to hear about the challenges that you face trying to support people into work. So please do contact us. For all enquiries about the Race Equality in Employment Briefing,

² Data drawn from The London Plan: Ethnic Group Population Projections (2010), GLA Intelligence Team, DMAG, 04-2010 (March 2010); Appendix Table 3: GLA Ethnic Group Population projections, London Boroughs, 2011 Note, two authorities have BME population below the London average and have been included because they either ranked high on IMD, as in the case of Islington (ranked fourth in London) and/or have unemployment rate significantly above the London average, as in case of Hammersmith and Fulham. Further, two boroughs had BME population just short of the London average (Enfield and Barking & Dagenham) and have been included as they both have high unemployment and low employment rates.

³ Data from 'The English Indices of Deprivation 2010: Local Authority District Summaries', The Department of Community and Local Government, March 2011 (<http://www.communities.gov.uk/publications/corporate/statistics/indices2010>) and reflected in Leaser, Rachel (2011), English Indices of Deprivation 2010: A London Perspective; Intelligence Briefing, Social Exclusion Team, Greater London Authority, June 2011. The ranking contained within this table indicates the rankings across London and not their national IMD ranking.

⁴ Annual Population Survey April 2010 to March 2011, accessed from NOMIS November 2011

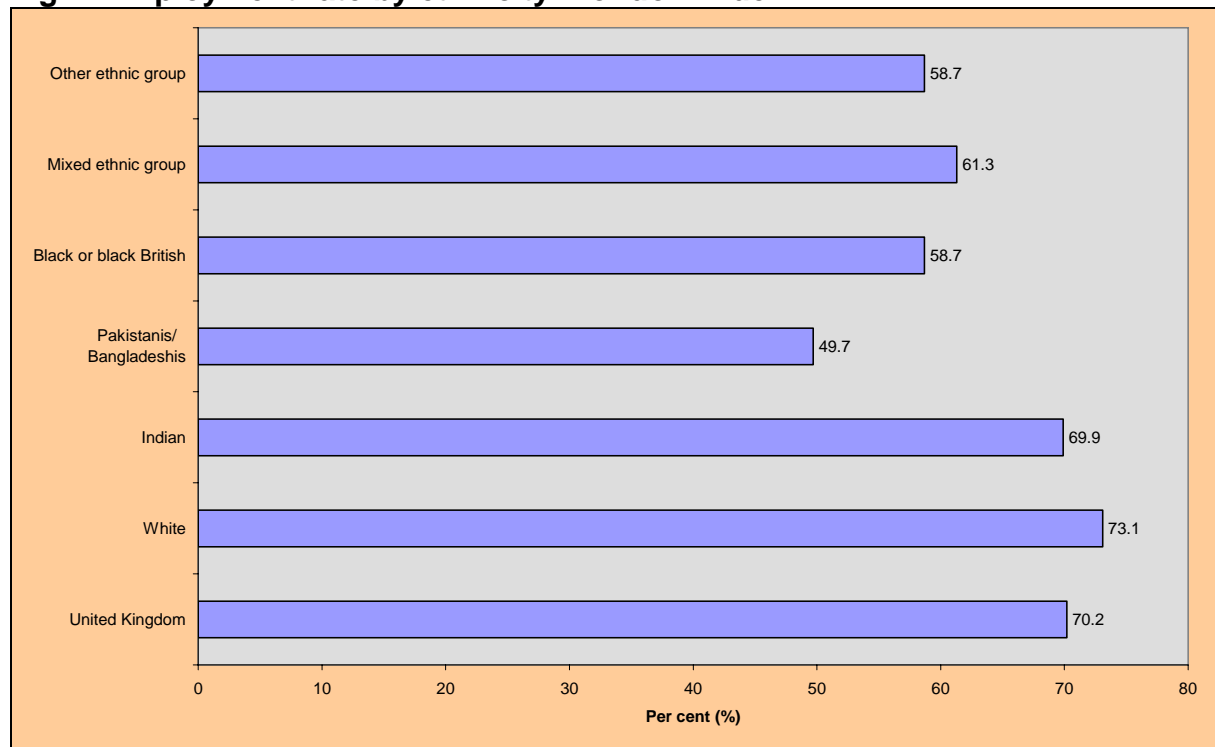
⁵ Annual Population Survey April 2010 to March 2011, accessed from NOMIS November 2011

please contact Karl Murray, Head of Employment and Research, Tel: 020 7832 5839 or email: karl@bteg.co.uk.

Labour Market Trends

For the quarter to October 2011 (August to October), the employment rate nationally⁶ for those aged 16 to 64 was 70.3 per cent (equating to 29.11 million working people), down 0.2 per cent on the previous quarter⁷. In London, the average employment rate for BME people of working age is 59.8 per cent, which is marginally higher than the average ethnic minority employment rate for the United Kingdom, which stands at 59.1 per cent for the period April 2010 to March 2011⁸. These averages mask wide variations across the ethnic groups. For example, the Indian population has an employment rate of 69.9 per cent while Pakistanis have a rate of 49.7 per cent, which is 20.5 percentage points lower than the UK average employment rate (See Fig 1).

Fig 1: Employment rate by ethnicity: London wide



Source: Annual Population Survey, ONS, updated October 2011 (April 2010 – March 2011 latest), cited on www.lseo.co.uk (accessed December 2011). Next update due 18th January 2012

Nationally the latest quarterly unemployment rate (August to October 2011)⁹ for those aged 16 to 64 is 8.3 per cent (2.64 million unemployed) of the economically active population, up 0.4 per cent on the previous quarter. The unemployment rate in

⁶ Employment rate: The number of people in employment expressed as a percentage of all people aged 16 - 64yrs.

⁷ Office for National Statistics, Labour Market Statistics, December 2011

⁸ Annual Population Survey, accessed via LSEO, December 2011,

⁹ Unemployment rate: Unemployed as a percentage of the economically active population (16 – 64yrs). The official unemployment rate (the one quoted in the press) is as a percentage of all aged 16+. This is unavailable for ethnic groups on a monthly basis requiring the use of other sources which are mostly working age based. There are, however, monthly data for JSA claimants, the count of which is mostly derived through Jobcentre Plus.

London rose more than the national rate from 9.0 per cent in August to October 2010 to 9.9 per cent in August to October 2011 (nationally the commensurate rise was from 7.9 per cent to 8.3 per cent).

Based on the Annual Population Survey for April 2010 to March 2011¹⁰, the white unemployment rate is 7.0 per cent and the ethnic minority unemployment rate is 12.8 per cent, over one and half times the rate of the white population.

Jobseekers Allowance claimants¹¹

Good practice example 1: Local Employment Access Project (LEAP)

In October 2011 LEAP, a Black-led employment charity, hosted a jobs fair at Central Hall, Westminster. The event offered 260 unemployed young people an opportunity to meet with employers from a range of sectors including construction and engineering. Thirty volunteers from PWC took part in the event, providing valuable advice to the young people on how to present themselves to employers. Employers, volunteers and the young people found the event extremely useful and would like to see more events like this in the future. For more information about LEAP: www.leap.org.uk or email: Milagros@leap.org.uk

The increase in unemployment is reflected in the number of people claiming Jobseekers Allowance (JSA), which in London rose by 5 per cent over the six months from May to October 2011 (from 224,930 in May 2011 to 236,420 in October 2011). The sharpest rise is amongst BME groups, who constitute fifty (50) per cent of those who are claiming JSA compared with 41 per cent white. Across our key boroughs, 54 per cent of JSA claimants are BME (see Table 2 below).

Figure 2 shows that in 19 of London's 33 boroughs, a majority of JSA claimants are BME, including 12 of BTEG's 15 key boroughs. The proportions of JSA claimants who are BME are particularly high in Brent, Lambeth, Newham and Tower Hamlets. It is our view that the key boroughs will have immense challenges over the coming months and therefore will be a focus in future *Briefings* to determine the progress being made. BTEG wants to support and encourage local action and highlight small and large scale successes.

¹⁰ NOMIS, accessed November 2011

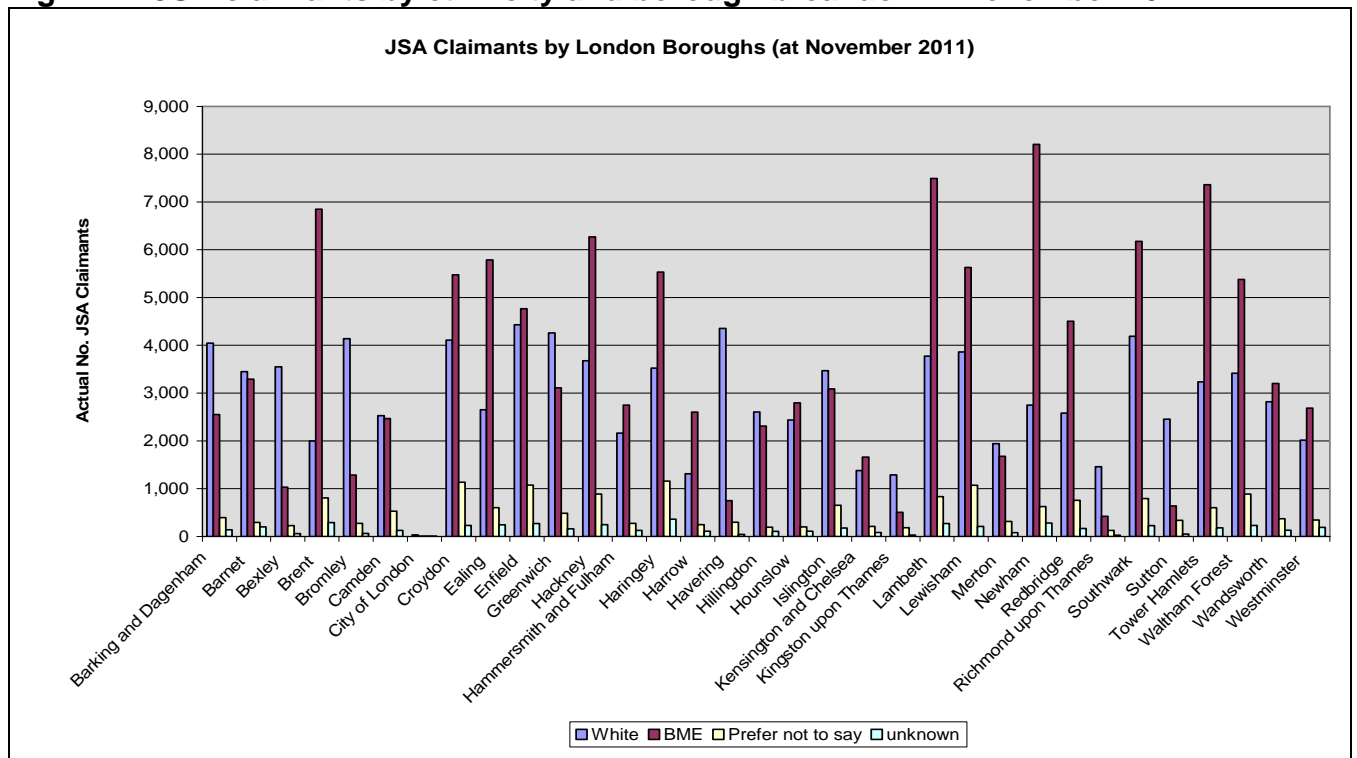
¹¹ The Jobseeker's Allowance (JSA) is payable to people under pensionable age who are available for, and actively seeking, work of at least 40 hours a week. JSA claimant count records the number of people claiming Jobseekers Allowance (JSA) and National Insurance credits at Jobcentre Plus local offices. People claiming JSA must declare that they are out of work, capable of, available for and actively seeking work during the week in which the claim is made. The percentage figures express the number of claimants resident in an area as a percentage of the population aged 16 – 64yrs resident in that area.

Table 2: October 2011 JSA Claimants

Ethnicity	London		Key Boroughs	
	Actual	% of total	Actual	% of total
White	96,905	41	51,905	36
BME	117,495	50	79,235	54
Unspecified	22,020	9	14,420	10
Total	236,420	100	145,560	100

Source: ONS claimant count accessed via NOMIS December 2011

Fig 2: All JSA claimants by ethnicity and borough breakdown: November 2011



Source: Claimant Counts, updated November 2011 (cited by LSEO: accessed, 12th December 2011)

Young people not in education, employment or training (16- 24yrs)

In the second quarter of 2011, there were 133,000 16 to 24 year olds who were recorded as not in employment, education or training (NEET) in London¹² (LFS Oct 2011). This is equivalent to 14.8 per cent of all 16 to 24 year olds in London - compared to 16.2 per cent nationally. The most recent annual data obtained from the annual National Customer Client Information System (NCCIS) returns indicate that some BME young people are more likely than average to be NEET; particularly mixed race young people (27.9%) and black young people (16.5%).

Policy makers, practitioners and families need to find out why mixed race young people are four times more likely to be NEET than white young people. And why black young people are more than twice as likely as white young people to be NEET.

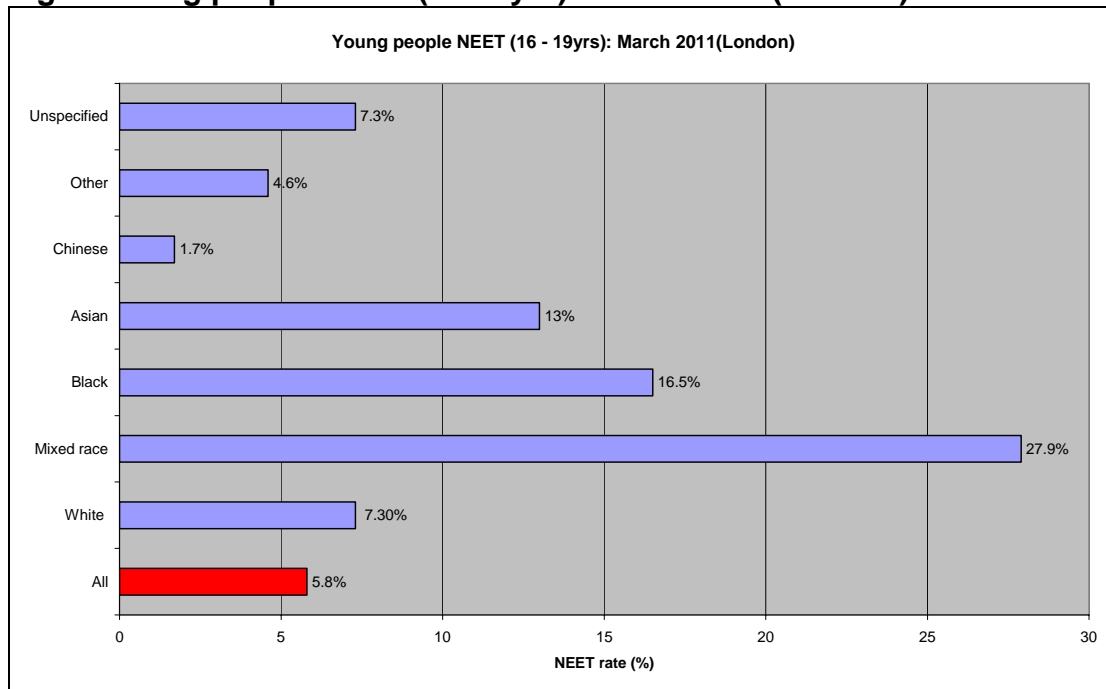
In London the numbers of 16 to 18 year olds who are NEET is relatively low at 5.1 per cent in March 2011. However, if you take the 'not knowns'¹³ (16-18yrs) and the broader spectrum of 19 to 24 year olds, the picture is far bleaker than the headline NEET rate suggests. The longer the young person remains NEET the more likely they are to become JSA claimants after their 18th birthday and add further to the JSA claimant count.

Young people who remain NEET and unemployed for long periods are unlikely to realise their full potential and feel disconnected from the community. This lifestyle can perpetuate a worklessness culture that can be passed onto future generations of young people resulting in NEET status being reinforced in families and communities across generations; they are three times more likely to have depression, more than four times more likely to be out of work, five times more likely to have a criminal record and six times less likely to have qualifications (GLA, 2007)¹⁴. This therefore makes it an imperative for local authorities and those working with young people, especially young BME people highlighted in this section, to steer them away from a life-cycle of NEET status into a positive learning and/or employment pathway. This brings into sharp focus the monitoring expectations of the Work Programme and the reporting requirements of public bodies, for example. To what extent are programmes making a difference in reducing BME NEET numbers? This is something that BTEG will be coming back to in future *Briefings*.

¹² Labour Force Survey, Oct 2011

¹³ These consist of a range of young people whose 'destination' is not known by the Personal Advisors and who have not been contacted over a 3 months period to determine their status. This therefore means the actual NEET rate is under-stated, especially as the not known category will contain young people NEET. This figure is often twice the rate of the NEET cohort (and therefore a higher rate overall).

¹⁴ Greater London Authority (2007), *What works in preventing and re-engaging young people NEET in London*, Commissioned by The Greater London Authority, February 2007. See also, DCSF (2008), *Statistical Bulletin: Youth Cohort Study and Longitudinal Study of Young People in England: The Activities and experiences of 16 year olds*.

Fig 3: Young people NEET (16-19yrs): March 2011 (London)

Source: NCCIS, Annual data set (vulnerable groups), March 2011

Apprenticeships

Expanding Apprenticeship numbers in the current economic climate of slow private sector jobs growth and shrinking public sector budgets presents significant challenges, not least finding employers willing to take on new Apprentices. Despite these challenges, the picture across London is improving¹⁵:

- London has seen strong growth in the number of people starting Apprenticeships over the last five years, with numbers doubling in the last year alone - from 20,350 in 2009/10 to 40,410 in 2010/11;
- Apprenticeship take-up has increased across all London boroughs, but that growth is not evenly spread¹⁶;
- There has been strong growth across all age groups in the past year, with the biggest increase seen in adult Apprenticeships (aged 25+).

The recent London Skills and Economic Observatory (LSEO) report *Apprenticeships in London: where do we go from here?* (Nov 2011)¹⁷ states that nationally employers with fewer than 25 workers are responsible for delivering almost half of the Apprenticeship numbers and a point elaborated upon by the Trade Union Congress (TUC), who, in a report by the IPPR¹⁸ (Nov 2011), stated that “only 30 per cent of companies with more than 500 staff have apprenticeship schemes”. The work of the National Apprenticeship Service (NAS) the TUC and the Apprenticeship

¹⁵ See LSEO Report op cit, <http://lseo.org.uk/content/1693>

¹⁶ There are no nationally available data in terms of ethnicity of apprentices by borough, though there are borough breakdown of apprentices. To get a sense of ethnic take up of apprenticeships by borough a more systematic survey will need to be undertaken.

¹⁷ London Skills and Employment Observatory, *Apprenticeship in London: where do we go from here?* CESU, November 2011]

¹⁸ Grindrod, F and Murray I, *Making quality count: The Union view*, IPPR, November 2011

Ambassadors Network will help to open up large companies to the business benefits of apprenticeships which could help facilitate a positive change in the attitudes of companies. We now need these key bodies to have a bold, consistent and persuasive message on equality and diversity in apprenticeships.

The LSEO report contains some useful recommendations for expanding apprenticeships in London. However, it makes no attempt to assess equality and diversity issues in relation to young BME people Londoners. For instance how do we increase BME participation rates in construction and engineering? In our September briefing we stated that 34 per cent of people starting an Apprenticeship in London were BME but because the number of Apprenticeships places in London is relatively low, the actual numbers of BME starting Apprenticeships are also low; 6,900 BME people started an Apprenticeship in 2009/10. BTEG is concerned about the lack of available and up to date statistical data on government supported apprenticeships in terms of equality and diversity. There are some specific gaps (e.g. success rates by ethnicity for people applying for apprenticeships via NAS website). Having access to robust diversity data could help to monitor and understand the equality and diversity developments and share good practice.

Good practice example 2: MITIE plc – The Real Apprentice

In 2005 MITIE plc launched the Real Apprentice scheme, specifically for unemployed young people living in East London. Today, the Real Apprentice is a full-time, operational training programme available to a much wider audience. The scheme provides a current employer reference regardless how long someone may have been unemployed for. It raises awareness of different industries and potential career paths and helps participants to recognise their own abilities and increase their self confidence. For more information: <http://www.mitie.com/real-apprentice.htm>

The Work Programme

The Work Programme will provide support for people who are long-term unemployed - or are at most risk of becoming so. It replaces previous welfare-to-work programmes such as the New Deals, Employment Zones and Flexible New Deal, which were developed and delivered over the past decade. The Work Programme was launched in June 2011.

The customers for the Work Programme are divided by DWP into eight groups¹⁹:

1. Jobseekers Allowance (JSA) customers aged 18 - 24 who have been claiming JSA for 9 months or longer.
2. JSA customers aged 25 plus who have been claiming JSA for 12 months or longer

¹⁹ The Department for Works and Pensions (DWP), The Work Programme, April 2011

3. JSA customers with early access to the Work Programme
4. JSA customers who have recently moved from Incapacity Benefit (IB)
5. Employment and Support Allowance (ESA) new customers
6. ESA customers who have recently moved from IB
7. ESA voluntary customers
8. IB and Income Support (IS) customers.

Race equality

Equality Act 2010 requires public authorities including the Department for Work and Pensions (DWP) to publish information to demonstrate what it is doing to comply with the public sector general duty. This information must be published no later than **31 January 2012** and then at least annually after that. The information must include what effects its policies and practices have had on people who share a relevant protected characteristic who are (a) employees of the organisation (for organisations with more than 150 employees), and (b) other persons affected by its policies and practices (e.g. service users).

BME groups will not be treated as disadvantaged within the Work Programme and there are no DWP targets to increase the employment of disadvantaged groups

The DWP is responsible for the Work Programme and is working to guidelines set by the UK Statistics Authority to ensure statistics on the Work Programme are published to the highest quality standards. The Department intends to publish statistics on the Work Programme referrals from spring 2012 and job outcomes from autumn 2012. According to the DWP, these timescales take account the newness of the provision and the length of time it will take for sustained job outcomes to be realised. Statistics will be published in the quarterly statistical summary, available by the 'usual set of demographic and geographic breakdowns'. BTEG assumes that the 'usual set of demographics' will include age, gender, ethnicity, disability and location.

For administrative and delivery purpose of the Work Programme, London is divided into two halves, London East and London West, and six provider agencies have been awarded contracts to deliver the Work Programme across these two areas (see Table 3). The Work Programme in London will be the largest single back-to-work programme, but it will not cover all those who are workless (e.g. it will only cover benefit claimants and therefore will not cover those who are unemployed and not claiming benefits; it will not cover those who are currently claiming invalidity benefit but who will not have a claim for income-related benefits following reassessment – usually because their partner is working or receiving a sufficiently high pension).

Table 3: London Work Programme prime providers by contract package areas

Work Programme (London)	Boroughs	Prime contractors	Contact details
London West	Ealing, Hammersmith & Fulham, Brent, Harrow, Hillingdon, Hounslow, Richmond Upon Thames, Kingston Upon Thames, Wandsworth, Enfield, Kensington & Chelsea, Barnet, Camden, Westminster, Islington, Haringey	Ingeus Deloitte Maximus Reed in Partnership	Ronan Smyth: rsmyth@ingeus.co.uk T: 07812203492 Athina Ioannidis: aloannidis@maximus.co.uk T: 020 7868 8982 Barnaby Cook: RinP.subcontractors@reed.co.uk T: 020 77086060 Ext. 290
London East	Hackney, Newham, Tower Hamlets, Barking & Dagenham, Redbridge, Havering, Waltham Forest, City of London, Croydon, Bexley, Lambeth, Bromley, Greenwich, Lewisham, Southwark, Merton, Sutton	A4E Careers Development Group (CDG) Seetec	Fran Hoey: fhoey@a4e.co.uk T: 07872423477 Rena Lowry: renae.lowry@cdguk.org T: 020 7811 3131 Andrew Emerson: andrew.emerson@seetec.co.uk T: 07977002278

Race Equality in Employment (London) Monthly Briefings

BTEG's *Race and Equality in Employment (London) Briefing* is for all those whose work focuses on employing people, supporting them into employment or creating jobs. Supported by the *Trust for London*, the *Briefings* aim to show how London's BME communities are faring in the labour market. Each month the *Briefing* brings the latest figures on employment, unemployment and claimant rates; keeping you up to date with the labour market issues for London's BME population and helping you identify where action might be needed in your local area. Importantly we want to share good practice across London.

The *Briefing* is FREE and to receive your copy each month please go to the '**Newsletter sign up**' box on the BTEG home page, where you will be able to register your details: www.bteg.co.uk

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