



Youth Unemployment Committee

Corrected oral evidence: Youth unemployment

Tuesday 8 June 2021

10.15 am

Watch the meeting

Members present: Lord Shipley (The Chair); Lord Baker of Dorking; Lord Clarke of Nottingham; Lord Davies of Oldham; Lord Empey; Lord Hall of Birkenhead; Lord Layard; Baroness McIntosh of Hudnall; Baroness Newlove; Lord Woolley of Woodford.

Evidence Session No. 12

Virtual Proceeding

Questions 123 - 133

Witness

I: Steve Rotheram, Metro Mayor, Liverpool City Region Combined Authority.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of Witness

Steve Rotheram.

Q123 The Chair: Welcome to this evidence session of the Youth Unemployment Committee. The meeting is being broadcast live via the parliamentary website. A transcript of the meeting will be taken and published on the committee website. You will have the opportunity to make corrections to that transcript where necessary.

Can I extend a very warm welcome to our first witness today, Steve Rotheram, metro mayor for Liverpool City Region Combined Authority? Can I just ask you to say a brief word about yourself before I move to the first question?

Steve Rotheram: My name is Steve Rotheram. I am a former councillor. I was the Lord Mayor of Liverpool in 2008. I was very fortunate to serve seven and a bit years in Parliament as the MP for Liverpool Walton and was first elected as the metro mayor in 2017. Just a few months ago, I was re-elected with increased numbers, as people will be aware: nearly 200,000 votes. Now I am in for a three-year term as the metro mayor of the Liverpool City Region.

Q124 The Chair: Congratulations on the result and welcome to this hearing. The very first question relates to levels of youth unemployment. Your combined authority is in the top four regions in terms of youth unemployment rates according to the Office for National Statistics. Just say something about to what extent this is driven by lack of job supply, the types of education and training on offer, the difficulties young people face in accessing careers advice and job search support, and any other factors you can think of. How do you respond? What is the cause of that high rate of youth unemployment in Liverpool City Region?

Steve Rotheram: First, it depends on what dataset you are looking at and the parameters of which report you are considering. For instance, our city region was in the top four combined authority areas for 18 to 24-year-old claimant rates. But the actual youth unemployment rate defined by the ONS Labour Force Survey, which is for the 16 to 24-year-old age range, shows that we are among the lowest of any CA area in the country. That rate is currently around 10%. It is far too high, as I am sure committee members will agree, but we are making progress.

In fact, we have made some real progress over the last five years to drive that rate down. It was at a high of nearly 16% in 2015. Just before lockdown in March 2020, we had got it down to 9.5%. It is obviously a problem for us in a post-pandemic world, if that still goes ahead on 21 June. But the city region has had some of the highest growth in employment in the country over the last five years. I do not want that to be lost in the statistics that we bandy round.

However, the pandemic is causing untold issues. Some of the unknown unknowns in the future, for instance, are around that 18 to 24-year-old claimant count. We already know it is having a huge impact. Indeed, unemployment-related benefits rates rose by 85% between March last

year and April this year. As of April 2021, 15,000 18 to 24 year-olds were claiming unemployment-related benefits, which is close on double the number last March. Our rate is about 10%, which compares to the north-west's of 9.9%. The national average is just under 9%, so we have some work to do.

As you said, it is about not just the numbers; it is about the approach. We are trying to do everything that we can with the limited devolved powers from national government to make a significant impact on this and get back to the rates that we had just 14 or 15 months ago.

The Chair: It is good to hear that, in terms of combined authority comparisons, Liverpool City Region is doing well. You got it down to a 9.5% youth unemployment rate. Could you say a bit more about how you have achieved that?

Steve Rotheram: There are a number of factors, obviously. There are prevailing national factors that influence that, but locally in the Liverpool City Region, for instance, we have made it easier for people to access an apprenticeship. We have something called Be More, which is a portal. It is an online one-stop shop where people can get careers advice, job-search and guidance. All the vacancies are posted on this.

Anybody who gets an apprenticeship in the Liverpool City Region is entitled to half-price travel, so we are trying to do what we can to encourage those people into the jobs. Since I have been in power, we have also been looking at how we can diversify our economy. That has meant that young people would be attracted into jobs in IT and the creative sector.

The Chair: The half-price travel is for anyone with an apprenticeship, but there are presumably other youth travel schemes. Is it normally half price? Are you subsidising young people's journeys to FE colleges, for example?

Steve Rotheram: We have a number of schemes. Indeed, I would point out that we have the most generous concessionary travel scheme in the whole country. That includes people aged 60 who get the concessionary travel pass; it is 67 in most of the rest of the country. Young people can get on a bus for £2.20 now. It is called MyTicket. That is at least a third off, or maybe half off in some cases, a normal journey. We are trying to make public transport much more accessible. This means that, for some of those low-paid jobs that people are unfortunately forced into, we do not take as much of a percentage of their wage as we would if they had to travel and pay the full rate.

Q125 **Baroness McIntosh of Hudnall:** I did not want to let something you said in your previous answer go by without asking a bit more about it. You mentioned diversifying your economy and you specifically mentioned the creative sector. Could you give us a couple of sentences on what you mean by that? How is that being encouraged and supported in your area?

Steve Rotheram: We get devolved funding, as people will understand, and then we decide how best we can stimulate our local economies. In the Liverpool City Region, we have put some of that money into

something called the future innovation fund to try to get some of the entrepreneurs in the city region up and running. There are some great examples that I can send you. One of them is about hydroponics. It is an amazing project, which I have been to see. It involves a young person trying to tick many boxes: the green industrial revolution, what needs to happen about the climate emergency, food supply and a load of different things. The future innovation fund was able to do that. That is really where we are starting to look outward at diversification of the economy in the city region.

Baroness McIntosh of Hudnall: When you say “creative”, you are talking about creativity in the broadest sense: innovation and entrepreneurship across a wide range of different sorts of activity, rather than, as it were, the cultural sector. Liverpool is famous in many ways for its cultural outputs, and I wondered to what extent you were concentrating on that as well.

Steve Rotheram: We are very proud of the cultural sector and the visitor economy in the Liverpool City Region. It is worth £5.5 billion and employs about 52,000 people, but we cannot just rely on any one individual sector. To people who may be watching the parliamentary proceedings, when it is fit, right and proper that we can all travel, I say, come to the Liverpool City Region. Give Liverpool a look and you will see for yourself just how much it has changed, how important that visitor economy is to us and what a fantastic offer we have for people.

Q126 **Lord Empey:** Good morning, Mr Mayor. You have obviously been doing the job for some time. Therefore, I believe the answer that you give will be very well formed from your experience. Would you like to see more powers devolved to local authorities to tackle the problem of youth unemployment? If so, what powers would those be?

Steve Rotheram: You will not be surprised that I believe in devolution. Decisions taken more locally are a good thing and are better than a central-control national government or Whitehall monolith deciding what is best for areas that they probably could not point to on a map, in all honesty. You will not be surprised to hear that, if we are going to do that, we need proper finances. There needs to be appropriate resource if devolution has the chance of success. That is part of the issue at the moment. We have to be careful that the Government do not enter into devo blame. We absolutely want to be held responsible and accountable for what we do, but that means that the Government need to work with us. At times, it seems that we are pulling in opposite directions.

You will be aware that a National Audit Office report a few months ago concluded that the financial position of local government remains a cause for concern. That is certainly true in our area where our councils have been battered by austerity, with some of the deepest cuts anywhere in the whole country. Devolved powers need to be accompanied by the requisite funding, especially after a decade of government cuts. We now have the issues arising from the pandemic.

The ideal scenario is for us to be given the ability to determine, to shape, to procure, and to manage programmes based on our local knowledge

and the evidence we have gathered as a part of a joined-up approach. That means bringing devolution to life. It means that we would be able to manage and co-ordinate those programmes to meet the needs of young people. That is the way that we can do this. For instance, our employment and skills board, together with our governance structures, means that we can be really responsive to local need. National government cannot do that for us. Yes, I am a big advocate and believer that devolution is a real chance to truly improve young people's prospects and help them to reach their full potential.

Lord Empey: You have clearly indicated that there is a financial issue. Of course, we understand the background for local government over many years. If you had a larger budget, would that on its own be adequate? Are there some specific powers that you would need? Would the legislation need to be amended to give you the lead role in ensuring that you had the capacity and legal authority to deliver policies in your region that would be more effective than what is happening right now? If you do not feel that you have all the points that you want to put right now, I am sure the Chair would be very happy for you to submit anything to the committee subsequently as evidence.

Steve Rotheram: We can certainly submit further evidence. I will give you my personal views of what the Government could do to help us further. This goes back to the attack on Parliament. I was in the House of Commons and we had a lockdown. At that time, Justine Greening was the Secretary of State for Education. We were locked down for five or seven hours in the Chamber, so I went over to Justine Greening and said, "If I was lucky enough to be the metro mayor"—because I had been selected as the Labour candidate—"I would want to work with government to use the apprenticeship levy funding so that we can get a bigger bang for our buck".

I am still waiting. That was four years ago, and I am still waiting for DfE to work with us, and for the huge pot of money from the apprenticeship levy, which is really a stealth tax on businesses, to be spent more appropriately. It should not be about big companies and the City of London putting people through degrees or master's degrees and being funded for it. The idea of apprenticeship levy funding was to really help some of these people we are talking about now—young people, for instance, who need that first step on the career ladder. Apprenticeship levy funding might be the stuff that could really help them. If that was devolved to us, we could do more in our local areas than national government could ever do for us.

Q127 **Lord Layard:** I wanted to ask practical questions about how we can get enough places so that every young person gets a skill. It is a practical issue of delivery, is it not? We have an incredibly discriminatory system at the moment. If you go down the academic route, the funding is demand-led. If you qualify, you automatically generate the money to pay for your place. If you want to go down the vocational route, you have to find a college that has a contract to provide a course at your level.

I would really love to know what you think. This is really a national

funding issue. Do you agree that we will never get parity between vocational and academic education unless we also fund the vocational route, especially at levels 2 and 3 in further education, on a demand-led basis, such that, if a person is accepted by a college, the money automatically comes from the centre?

I would also like to ask a parallel question on how to get enough apprenticeship places. I believe that the new Bill is going to introduce this local skills improvement plan requirement. How are you planning to assess how many places would be needed in Liverpool? How are you then going to make sure that those places get delivered?

Steve Rotheram: First, on parity of esteem, I have campaigned for a long time around how we can improve people's understanding of those two routes. Academia is absolutely appropriate for some people, but not for others; I would include myself in that. When I was a young person, I went down a vocational route. I went into an apprenticeship; I was a bricklayer. That was the right route for me at that stage in my life. I went on to academia and did a master's degree many years later.

Vocational courses are not seen as being equal, in some people's eyes, to academic ones. What do we need to do? We need people to look at them like they do in other countries. Germany is often cited. An apprenticeship is a very high-value route in Germany and can set you up for a career in many fields, but apprenticeships do not get the same kudos in this country as they do in some other places.

Secondly, on aligning supply with demand, I agree that we should do more. We also have to pay full cognisance to the fact that, for instance, there might be a higher economic demand for a specific sector in a given area. In a combined authority area, for instance, only the mayor understands what those demand and supply issues are. I will give you an example. I want to capitalise on what is going to happen with renewable energy and the green industrial revolution. I am looking at the River Mersey outside my office now. I want to look at tidal energy, and we are speaking to government on this.

To do all this, I need a date when we are likely to do this project, and then to work backwards from it so that we can provide the skilled labour when that project starts to come to fruition. This is why government cannot do this for us strategically. Supply and demand are really important to us. Some of that apprenticeship funding should be devolved locally because only we can train people in the types of skills that our economy will demand in the years ahead.

Lord Layard: Can I just follow that up? I completely agree with you that the Department for Education is not capable of deciding which courses are needed in which areas, so that is going to require local initiative. The money also has to flow. You will only get enough money if the money flows automatically when the person is accepted in a college, rather than your local authority having a contract with the centre for how much money it can have and carving it up in relation to the local need. That will still not generate the dynamism in the sector that you have in the academic sector because the money just automatically flows if the person

is taken on to a course. Would you not still want to have money flowing from the centre, but flowing automatically into whatever courses you are providing locally in Liverpool?

Steve Rotheram: Of course I would. We have some absolutely fantastic FE colleges in the Liverpool City Region. They are genuinely first-class colleges. They will put courses on. At a macro level, that might not result in meeting the demand in a particular sector because they will look at what they are doing individually and not strategically across the whole city region. You need a body such as ours to ensure that we can direct and focus funding in a certain area to put certain courses on, so that we can meet new demand when it is about to come on stream.

An example is retrofitting. We are getting money from central government to do some retrofitting. Nobody does retrofitting courses, so I want to invest the skills capital funding we have into the college that provides the courses, so it can get somebody appropriately qualified to teach those courses. We can then train people in the skills that we need, which will meet the demand for the funding that we have to retrofit properties. An individual college could not do that. That is why having a combined authority is so important in meeting those competing pressures of supply and demand across the whole economic sector.

Q128 **Lord Layard:** I am still grappling with the actual contractual issue. FE is crippled by contracting problems at the moment. Take your retrofitter project. Are you thinking that your combined authority would have a negotiation with the DfE to get funding for this course? Would you not prefer it if there was automatic funding for a course of this level? You would decide to put it on; you would make the assessment of the need in the region and get a variety of colleges to put on the necessary courses. The funding should then come automatically on a per-student basis, rather than pre-contracting with the DfE for so many students on such-and-such a course, or even contracting locally from some block budget that you have.

Would you not dynamise the colleges by essentially giving them the same assurances as universities have, at levels 4, 5, and 6, that if they take on a student they will be funded? Is this not what we should be pressing for in this committee?

Steve Rotheram: What you need is not a one-size-fits-all approach. You will still need to have some gap funding for an area that has a strategic plan, which will not be catered for by providing funding to a local college. Colleges can be very responsive, but that decision would be for them as individual businesses. We need surety that we can have a pipeline of skills for the types of things we want to invest in. That is why there is a lot of truth in the idea that colleges need surety regarding the funding stream for the courses they put on. They absolutely do. It should also be at an appropriate rate.

Mayoral combined authorities, for instance, need the ability to do more in this field in order to stimulate economic growth in their own areas and, therefore, to supply the requisite types of skills. You cannot just turn a tap on, as we know, so that would need some planning. That would

perhaps need two or three years. Only a combined authority would be able to provide all the information, data and funding to allow a college to set up very quickly to deliver those skill sets in the timescale necessary.

Lord Layard: Have you yet assessed how many apprenticeship places are going to be needed? Do you know how you would respond to this requirement in the Bill for a local skills improvement plan? What advice would you give to other local authorities, if you have already figured out how to do it, as to how they should do this and put the pressure on employers to step up to the mark and provide the places?

Steve Rotheram: Yes, we have a Local Skills Report and Local Skills Action plan as part of our Skills Advisory Panel (SAP). That follows on the back of a number of sector plans that we had, going back a few years, that identified the skills needs for certain sectors. All we have done is pull a lot of that together. We have also forecast the demand for the types of investments that we are putting into the economy of the Liverpool City Region. All of that will be brought together. It will mean that we need not just more people, but people in occupational areas that currently are not catered for. That is why it is really important that the DfE works with the likes of MCAs and allows us to create those jobs of the future.

Q129 **Lord Hall of Birkenhead:** Good morning. Could I ask you to talk about what your young persons' guarantee would look like, how it would help and how it could lead to lasting employment for young people? If you had more powers devolved to you, which is a theme of this morning, how could it be improved beyond what you hope it is going to do?

Steve Rotheram: I have made a commitment, as people will know, of a job training place or apprenticeship for every young person who is out of work for more than six months. I did that about 18 months ago. We had been working on it for some time before the postponed elections of 2020.

I got the opportunity to speak to the Prime Minister about this young persons' guarantee. In that conversation, I described what we should do to give hope to young people. Within a few months, the Prime Minister had announced something similar. That could be absolute coincidence. It is doubtful, but it could be. I was delighted because I am not the repository of great ideas.

Everybody has something to offer, and we all want our young people to get the best possible start in life. For many people, a vocational course is exactly that. For others it is not, but for many it is. For far too long, they have played second fiddle. I want those people who are sometimes lost to us in the NEET group to be engaged as quickly as possible, so that they can reach their full potential. I know the difficulties that we are going to have in a post-pandemic world. I have just mentioned that we are going to be hit very hard in the Liverpool City Region, but we need to give that guarantee to our young people.

Lord Hall of Birkenhead: There are a couple of things from that. First, how would you market a guarantee to young people, especially those who are very hard to reach? Do you have some thoughts about that? Secondly, how do you get the people who can deliver to young people to

effectively join up and deliver something that is co-ordinated across your city region?

Steve Rotheram: The second part of it is probably the most important part that I will be asked about. How do we co-ordinate things better, given the fragmentation within the system at this moment in time? We certainly need to do more of that.

If there were a simple answer for the first part, I guarantee 100% that I would have found it, because of my background. There is not. Our experience shows that young people need somebody they can trust. Some of the outreach that we have is absolutely phenomenal. I went to the Learning Zone, last week or the week before, to have a look at some of the stuff that it is doing to reach out to these young people, who feel that they have been left behind and who have often come from difficult backgrounds. There is some great stuff out there. It is genuinely brilliant, but it is the second part—how do we co-ordinate that? How can we pull all these strands together?

The Government's approach to this sometimes does not help. They have so many streams and funding through so many routes. We need to make sense of that very cluttered landscape. Our experience here is that it works best if you get somebody who can work alongside young people and navigate them through not just the difficult times in their lives, but some of the different programmes that there are. There are sometimes competing programmes. We can work with the DWP to try to ensure that we give young people some independent advice, guidance and support.

We are doing some stuff through additional ESF funding. Do you remember that—European funding? It was brilliant because it was targeted. It provided us with the capacity to do some of this. We are also looking at, when it eventually comes, the UK shared prosperity fund. We believe that that should replace this funding to ensure that we can have continuity. The worst thing we can do is to start things that end up fizzling out because of funding streams after two or three years. If you think it is confusing for kids now, just imagine when we introduce even further streams. It is about simplification.

Lord Hall of Birkenhead: From what you are saying, a commitment to support young people through finding lasting employment is not a matter of six months, a year or two years. It is longer.

Steve Rotheram: This is for a slightly different demographic, but we have a programme called Households into Work. It demonstrably proves that, if you give wraparound support, you can get people with some of the most horrendous life stories back into the world of work. There might not be the same incentivisation for these younger people because they will all be different. Some people hardly need any wraparound support at all, but we need to ensure that we give those who need it that good start. In the long term, it saves the public purse.

I hate this, but Treasury always looks at things through the Green Book methodology, so we have to play that game. I would much prefer to treat people as human beings because, when you do that, you get better

outcomes. We are proving to Treasury that this approach can save UK plc money. In that way, I hope we will get sustainability.

Lord Hall of Birkenhead: That was really interesting. Thank you.

Q130 **Lord Baker of Dorking:** Mr Mayor, you probably do not know, but I was brought up in your area. We were evacuated to Southport during the war. I went to Holy Trinity Primary School and then to George V Grammar School for a year. I had a very wonderful education there. Lancashire's education authority then was one of the best in the country. It was the basis of my education. Thank you to your predecessors. You were not actively involved yourself.

I want to ask you today about ethnic minority students. Are you aware that, in Liverpool, there is a university technical college on the borders of Toxteth? Yes, there is one. I do not expect that you have visited it, but it is right on the borders of Toxteth. It teaches bioscience, supported by all those small firms in Liverpool that make drugs. There are an awful lot of them, as you know. Three years ago, it took in 30 black students from Toxteth. If you are born in Toxteth, your chance of going to university is less than 20%. Of those 30, 80% went to university to do STEM subjects. That is remarkable. Are there any other schools in your area that transform the life chances of black or Asian students in that way?

Steve Rotheram: Yes, there are. You are right; we have some absolute beacons of educational greatness in the city region. We have a problem because people from minority ethnic backgrounds are disproportionately left behind, as I would call it. Some people used to call it "hard to help". Those students have not had the same opportunities. I always argue with central government that it is not about talent or ability; it is about opportunity. We need to find more opportunity for those people.

I was involved in a number of positive action programmes when I worked under you and the Learning and Skills Council. Before that, it was the training and enterprise council. I worked there as a business manager and put some programmes on. The outcomes are staggeringly positive. We are now trying to look at what the benefits of something such as that would be in 2021.

Lord Baker of Dorking: Mr Mayor, I know you are doing all that, but are there any other schools that transform the chances of black students from 20% to 80% in your area? I do not think you will find one anywhere near doing it. I would suggest to you that it is worth a visit to the university technical college to see how it does that. It is not looking for opportunities; it is looking to train youngsters who can get a job and go to university. It is a remarkable record for black students.

Steve Rotheram: Yes, but Blackburne House does the same for people from black, Asian and minority ethnic groups. It does the same for other discriminated groups such as women. We have an awful lot of very good institutions across the city region. There is not just one.

Lord Baker of Dorking: Perhaps you could send me a list of schools that transform the chances of black students going to university from 20% to 80%. I would love to see it. We have been filled up with an

enormous number of details about all the bodies that try to give people jobs, such as Kickstart, youth hubs, career hubs and DWP youth centres. You have growth platforms, youth taskforces and employment and skills boards. Have you made any assessment of which of these has transferred more students from being unemployed to work? Have you measured the performance of Kickstart, youth centres and all of these, and found out which are the best? That is where the money ought to go. We are just covered with a massive number of ideas. Lots of other local authority people give us your sort of presentation. Have you determined which are the best in creating jobs for somebody who is unemployed?

Steve Rotheram: I will tell you what are not: the things that the Government are currently doing, such as Kickstart. You have just mentioned it. Kickstart has not been as successful, despite the money being thrown at it. That is because you have to work with the local authorities and combined authorities, and stop the centre doing things to them. That way, you will get much more success. As for any analysis, it is a little early for Kickstart, given that it has been going only a few months, to find out whether it might be successful.

Lord Baker of Dorking: I agree with you on that entirely, but all the other ones have been going for a number of years. We find it very difficult to find out which are the most effective. There seem to be a huge variety of schemes working. A number were created by DCMS. Incidentally, one of my granddaughters went to Liverpool University to study theatre design. There are no jobs in theatre design at the moment, by the way, but she had a lovely time in Liverpool.

What can one do about this? We really have to try to find out which are the most effective methods of transferring someone who is unemployed into work. I have no answers, Mr Mayor, let me tell you. We are looking for some answers. I agree with you on Kickstart. It has not got off at all to a good start.

Steve Rotheram: Everyone who goes to Liverpool University enjoys their time there; it is not just your granddaughter. There are careers in all sorts of things, but you are specifically asking whether it is evidential that one particular fund has better outcomes than others. I am not aware that that analysis has been carried out. It does not mean to say that we cannot do it or that we are not already doing it. I do not know all the detail of everything that is happening within the local authorities, because they will have responsibility for some of this. I will find out the answer for you and let you know.

The Chair: Lord Baker, can I just pursue the point that you were making? One of the things that is particularly important to the committee is evidence of outcomes and success. Steve, in writing to us, we are really very keen to hear opinions from the city region as to which government initiatives are working and which are working less well. It is one thing to have large numbers of initiatives; it is another to develop the ones that work. One of the things that we are inquiring into is how the government initiatives are doing. Something in writing from you and the Liverpool City Region would be extremely helpful.

Q131 Lord Woolley of Woodford: It is nice to see you, Steve. I am interested in your position, with such a fantastic bird's-eye view of an area around Liverpool, and how you might see all the pieces fitting together. You said that you were dealing with the legacy of austerity and now Covid. You will know as well as I do that there are pockets of communities that have lost quite a bit of hope. Good jobs are not there. As you have alluded to, part of your work is to communicate with communities, and to inspire and guide those young individuals into meaningful work through pathways.

This is what I want to tease out from you. What is your mechanism, from your bird's-eye view, to help inspire those who feel there is no hope? You cannot just cross your fingers or hope that people find their way. In your leadership role, what is the action that translates into people feeling more hopeful?

Steve Rotheram: What a great question. I stood on a platform of "no one left behind" just a few months ago, and I meant it. Because it is such a diverse and large area geographically, with 1.6 million people, there are far too many communities throughout the Liverpool City Region that do not feel as if they have had a fair crack of the whip. There is a problem with managing the expectations as well. When you say things such as "no one left behind", if one person is left behind, you have failed. I am prepared to be measured by that because one would be a failure.

We have to provide opportunity, and you have just touched on that. It would be different in different areas. I will give you an example. Earlier this year, we published our declaration of intent on race equality. Why am I saying this? I am saying this because we have had pots of money for many years and have decided how to divvy out that funding. Nobody has thought, "Why, disproportionately, do we have businesses in certain areas that have not benefited from this? How do we create those role models so that other people will aspire to be an entrepreneur, or whatever it is?"

We will slice that money up differently and some of it will go towards positive action. We will get, for instance, more black businesses in Liverpool 8 or more Asian businesses across the way, wherever that might be. We will encourage them by specifically targeting funding, but that is only the targeted funding. The mechanism by which that individual or that business has to assure a return on that investment is the same, but if you slice it up differently you can get better outcomes. We need to get out to geographical areas such as Halton that do not believe they have been well served by anybody.

That is the way that we can encourage people back into believing some of the things that politicians say. There is a huge responsibility on us all, when we say something, to deliver it. I delivered 100% of my first manifesto and I will deliver 100% of the manifesto that I have just stood on.

Q132 Lord Davies of Oldham: I have very much appreciated the responses this morning. We all expect Liverpool to be energetic in its responses to real problems, but the problems, of course, are very acute. We came quite late in this discussion on to further education colleges, and yet they

have had a decade of relative deprivation of resources. It is not surprising, therefore, that achievements have been lower than we might have hoped.

The one thing that is missing from what has been said so far, Steve, is the extent to which recipients of support respond. We are talking about a specific group of people, and this study reflects the fact that we are very anxious about what is forecast for young people over the next few years. It is going to be a very difficult economy and a very difficult jobs market. Are young people involved in any aspect of policy development? Do you, in any of these instances, get the people you are seeking to advantage involved in the process by which the policy is developed? I fear that, at times, people think that things are done to them, rather than that they are participating in them. That is an extreme weakness in any scheme.

Steve Rotheram: It is a great question again, in all honesty. I have just said that I believe in devolution. I believe in subsidiarity and engagement. For instance, I have something called the Fairness and Social Justice Advisory Board. Many young people sit on that board. That does two things. It generates new ideas for us to look at and it gives the chance to scrutinise the policies we are putting through the combined authority to see whether we have taken into consideration things, for instance, that might affect young people. We also do an awful lot with the Youth Parliament and other youth representative groups. There is a direct route into policy-making, but also into stimulating some of the thought processes within the combined authority.

Is that enough? Probably not, in all honesty. A certain type of person usually gets involved in things such as youth parliaments. There is a cohort that we do not reach. That is why the NEET group—not in education, employment or training—is so important for us. We have a community outreach part of the combined authority that speaks to those individuals, but we also work through third parties, which go out, speak to these young people and find out what their issues are. I hope we are able to respond to some of those things. We obviously cannot do everything, but we try to do as much as possible to respond to the issues that they raise.

Lord Davies of Oldham: I am encouraged by that reply. I know that you have some institutional structure to respond to it. But I do not have the slightest doubt that there is a very considerable difference between those students staying in school with a career pattern set out before them, in terms of access to higher education, and those who leave school, often against a background where they have not felt themselves to have been the greatest success, and are plunged into a world in which there are enormous challenges that face them. It is enormously important to build up their morale in relationship to the programmes that are put in place.

Steve Rotheram: Do you know how you build up the morale of young people who feel a bit like that? It is by them seeing somebody who has been through a similar event in their life and who can put an arm around them, if that is needed. Sometimes we all need a bit of a kick up the

backside, but it is a matter of having a person they can speak to. That is where our area comes to the fore. We have a brilliant network of organisations and voluntary community groups that do such brilliant work. They literally go door to door sometimes, trying to find out what the issues are and to see whether they can help. We are famous for our camaraderie and solidarity; that really shines through.

Q133 Baroness Newlove: Good morning, my mayor, Steve Rotheram. At least I get to meet you on here. My question has already been asked, so I do not want to duplicate. I am interested in how you envisage that the skills advisory panels set up between combined authorities and LEPs will work with the introduction of the new local skills improvement plans, as set out in the new Skills and Post-16 Education Bill.

Steve Rotheram: We are quite well served in our area. Our LEP area and our combined authority are coterminous. For instance, we work very closely together. Asif Hamid, who you have probably met, is the chair of our LEP. We have individual boards within the LEP that do some sectoral stuff, go out and try to co-ordinate things better. For the combined authority, most of the funding comes through us. Ours is about assurance of the spend of that funding. We have to make certain that it is effective.

Baroness Newlove: How could a wider range of employers, including smaller businesses, be encouraged to engage in the development of these plans?

Steve Rotheram: Again, it would be through the LEP and us. We have these boards mainly in sectoral areas, to tell you the truth, for instance in the digital sector. They engage with micros as well as the small and medium-size companies, right up to your Unilevers and huge monoliths. Everybody can get involved; plus, we go out. Because of the way that we are doing this, it is easier to engage with wider cohorts. We are using virtual conferencing to try to find out what the issues are for businesses, certainly in a post-pandemic world. They were part of our recovery plan and the consultation form that we submitted to national government.

The Chair: Thank you very much. Steve, this brings things to an end. I want to thank you on behalf of the committee for the clarity and extent of your contribution today. If there is anything further that you or colleagues in Liverpool City Region think should be drawn to the attention of the committee, in addition to what has already been agreed, about outcomes, government initiatives and how well they are going, we are taking evidence right up until the end of July. Particularly if something occurs in the next six to eight weeks that ought to be drawn to our attention, we are very keen to hear from you. Thank you very much on behalf of the committee for what you have contributed today.