

<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	28 July 2021
<b>Executive Member:</b>	Councillor Leanne Feeley – Executive Member (Lifelong Learning, Equalities, Culture and Heritage)
<b>Reporting Officer:</b>	Tim Bowman, Director of Education
<b>Subject:</b>	<b>PERMANENTLY EXCLUDED YOUNG PEOPLE AT RISK OF NEET</b>
<b>Report Summary:</b>	This report explains the exacerbated risk of a cohort of young people becoming Not in Education, Employment or Training (NEET) and sets out a proposed support programme developed by Education, Growth and Policy. Funding is sought from the COVID budget to provide this support which, if agreed, will begin immediately.
<b>Recommendations:</b>	<ul style="list-style-type: none"> <li>(i) That Executive Cabinet be recommended to approve a Budget allocation of a maximum of £285,880 from the COVID budget to support this programme;</li> <li>(ii) Members are also asked to note that this initial project will act as a proof of concept for future support to those young people who have been permanently excluded from mainstream education. Further reports will be prepared for Cabinet to measure the success to date and consider the longer-term proposals following the timetable shown.</li> </ul>
<b>Corporate Plan:</b>	This programme supports activity and outcomes across the Aspirations & Hope and Work Skills & Enterprise priorities in the Corporate Plan.
<b>Policy Implications:</b>	Effective delivery of this programme in Tameside supports the reduction of NEET rates and supports delivery of the Corporate Plan.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	<p>The proposal is that £0.286m of the Councils COVID-19 Unringfenced Funding is allocated to a Youth Employment Scheme. This would be accessible to young people who have experienced significant disruption to their formal education, and cannot access assistance targeted at long term unemployed, single person households (section 3.2).</p> <p>The pandemic has had a disproportionate impact on young people (section 3.3). A plan has been developed (section 1.3) and the proposal would address issues arising from that plan's implementation. If the proposal were to be accepted, Members need to be assured that best social and economic value has been achieved. The programme should be monitored and the outcome reported back to Members. This could include the number of young people that have accessed the programme, and how they have benefited from education, employment and training.</p> <p>The Council has limited resources and members need to decide whether the proposal should be a priority (section 5.1).</p>

**Legal Implications:  
(Authorised by the Borough  
Solicitor)**

Members need to be content that this project represents good value for money as explored in the financial implications.

The Council has a statutory duty under the Education and Skills Act 2008 to make available to young people below the age of 19 and relevant young adults (i.e. those aged 20 and over but under 25 with learning difficulties) support that will encourage, enable or assist them to participate in education and training. The project officers consider that the proposals set out in this report will assist the council in meeting that duty for this particular group of young people.

In addition, it would appear that the data being gathered on the impact of covid is likely to show that the young and school leavers are being particularly hard hit and so this initial programme is intended to be a pilot for possible future projects.

As the project officers are proposing to recruit staff support from Human Resources will be required to ensure that appropriate fixed term contracts are used given that this is a pilot project. Assistance may also be required with hosting agreements for the staff.

As this project is being used as 'proof of concept' it would also be advisable for the outcomes to be monitored and reported back to Members.

**Risk Management:**

Supporting young people who are not in education, employment or training into positive employment and careers enables long term economic growth.

**Background Information:**

The background papers relating to this report can be inspected by contacting Tim Bowman or Sarah Jamieson



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## **1. INTRODUCTION & BACKGROUND**

- 1.1 Young people in Alternative Provision (AP) to mainstream education are often at higher risk of becoming NEET (Not in Education, Employment or Training). The impact of COVID and lockdown period's on attendance has exacerbated this risk. As at May 2021 12.2% of Tameside young people aged 16-24 years were claiming out of work benefit, according to the Office of National Statistics, this shows an increase of 7.2% from April 2018 and highlights the significant impact of the pandemic. This is above the Northwest average of 9.4% and national rate of 8.3%. These figures are based on those claiming benefits; however we must also consider those 16-17 years who have no entitlement until aged 18 years and are therefore not included.
- 1.2 A group of 46 young people both with a Social Worker and on roll in AP have been highlighted as presenting a significantly high risk due to poor/non attendance, 22 of these young people are Looked After Children. 25 of these young people are in Year 11 presenting a short time period to engage and move into education, apprenticeship or employment.
- 1.3 A multi agency plan has been put in place to provide additional support which includes colleagues in Education, Tameside Virtual School, Growth and Policy as well as external provision including Positive Steps, Tameside College, and Pupil Referral Services. However gaps in support have been identified which require resource to work towards a positive outcome for each young person.
- 1.4 If agreed, this support plan will act as a proof of concept for a longer term support package as, whilst the issue has grown through COVID it is a challenge faced year on year.
- 1.5 There is a short window of opportunity to engage with this group before the new academic year begins in September.

## **2. SUPPORT PROPOSAL**

- 2.1 A pre and post summer plan is being developed, with additional resource being requested from AP budgets where available. This will follow a three step process to engage with each young person as an individual and understand their personal aims, as well as barriers.
- 2.2 Step 1 (pre summer): A Transition Key Worker/Navigator will make contact with each young person and discuss their preferred route, this would have the aim of understanding each young person's areas of interest and match it to either an education route, apprenticeship or employment.
- 2.3 Step 2 (pre and mid summer): The Transition Key Worker/Navigator will make contact with the relevant team to introduce the young person to the options available. For example a young person with an engineering interest could visit Tameside College to understand the options available, see the facilities and begin to be introduced to the team based there.
- 2.4 Step 3 (post summer): Ongoing support will be available to each young person, previous transition support from the Youth Employment Scheme (YES) has shown that we can expect 40% of employment placements to require a follow up placement or move into education as opportunities are not always as young person anticipates.

## **3. EMPLOYMENT SUPPORT OFFER**

- 3.1 The Tameside Employment Fund (TEF) expired on 31 March 2021, the Youth Employment Scheme (YES) element of this model can be reinstated to create specific job opportunities, based on the aims of each young person, by reimbursing employers for the first 6 months

salary of a job. Previous outcomes saw 63 young people moving into employment under YES alone between March 2019 and March 2021

- 3.2 The Government Plan for Jobs replaces some elements of TEF, for example the Kickstart scheme offers support in place of YES, but is limited to 16-25 year olds in receipt of Universal Credit (UC) and 25 hour per week jobs. Many school leavers are not immediately eligible for UC or choose not to claim due to parental support.
- 3.3 The full impact of the pandemic is not yet known, with further redundancies anticipated at the end of the furlough scheme, however it is recognised that the under 35 age group has seen the highest impact (figures released 20/4/21 show 635,000 people in this age group coming off company payroll in the last year). This creates a highly competitive marketplace for young people entering the labour market for the first time.

#### 4. FUNDING REQUESTED

- 4.1 Funding is needed to create the support programme for the 25 identified young people in Year 11 at risk of NEET. Whilst not all will have employment as their preferred route this is costed at the maximum to ensure all are able to access this route should they wish to do so. Remaining funding could be utilised to support other young people including a focus on the Leaving Care cohort.
- 4.2 Total funding requested is £285,880 to allow National Living Wage (NLW), based on previous YES placements for 16-24 year olds the average payment per 6 month period was £6,000 which could create an underspend of £58,500 or the opportunity to create additional job roles for other NEET or at risk of NEET young people. This will also allow a funded Key Worker role to engage and provide ongoing support, which has been a key element of sustainment in previous YES placements.
- 4.3 The salary reimbursement required is shown at the maximum and minimum funding level required, the National Living Wage (NLW) would follow the GM Mayor's aim however this may not be sustainable for employers and therefore National Minimum Wage should also be accepted (or any amount above up to NLW).
- 4.4 The job entry fund will provide the necessary support to overcome any financial or digital barriers experienced by the young people. This will ensure that they have the equipment and infrastructure to both apply for positions, remain in contact with the Key Worker for support as well as covering any initial costs for their move into education or employment. Where funding exists this would be utilised, for example if the young person is eligible for Our Pass this would be purchased instead of continually reimbursing travel costs.

Salary reimbursement x 25	National Living Wage @ £8.91, 36 hrs pw x 26 weeks = £8,340	£208,500
	National Minimum Wage for 16-17 year old @ £4.62, 36 hrs pw x 26 weeks = £4,325	£108,125
Education/Job entry fund x 25	Max £1,000 per person to cover travel, tool purchases, clothing, and other job start related costs	£25,000
Staffing	Grade G – Transition to Work/Education Key Worker role to support young people to become job ready and to provide ongoing support to drive job sustainment. (This role could be hosted by Tameside College or Positive Steps if required)	£37,630
	Grade E – 25% Project Officer time for administration	£14,750

- 4.5 This would provide outcomes of about 25 young people in education, apprenticeship or employment. Longer term outcomes could be supported by the proposed In Work

Progression pilot scheme, currently awaiting a confirmed start date from Department for Work and Pensions, and signposting to further skills & training opportunities.

## **5. RETURN ON INVESTMENT**

5.1 Outcomes from the original Tameside Employment Fund have provided Tameside Council with a good level of cost avoidance, specifically for Care Leavers a return on investment of £2.13 for every £1.00 incurred was shown in the evaluation and business case report (28 November 2018). The case for providing this funding is based on the benefits of cost avoidance by targeting outcomes on vulnerable and complex cohorts and supports the delivery of Corporate Parenting. 17 of the 25 young people in this cohort are Care Leavers.

5.2 The core reasons to fund this scheme are set out below:

### **For Tameside Council. The Council...**

- has reduced direct costs to the council in regards to Care Leaver costs. Analysis by the Looked After Children's Service shows an annual cost saving of £0.154m across 15 young people who had successfully gained employment through the initial YES scheme. This figure was calculated by totalling the accommodation costs avoided by the Council within a 12 month period of the Youth Employment Scheme where it is acknowledged that employment contributed to independent living. The savings were attributed from in-house foster care placements, supported lodgings and private semi-independent providers being replaced by bedsit rents or independent tenancies (achieved through independence). A cohort of the cases are set out below as examples to provide an understanding of how savings can vary. This analysis shows the potential for investment by the Council towards positive outcomes avoiding costs accrued against non-positive outcomes.
  - Case 1 cost avoided = £3,536
  - Case 2 cost avoided = £9,845
  - Case 3 cost avoided = £47,268
- based on previous outcomes achieved by the Youth Employment Scheme, the average return on investment is estimated to be £2.13 for every £1 incurred on the existing programme.
- can actively take a corporate parenting role for our looked after children and those leaving care in supporting them with the transition in to and sustain of employment.
- has developed stronger partnerships with supporting organisations, Active Tameside, Jobcentre Plus, Talent Match, Groundwork, Princes Trust which enhance service delivery and partnership working across the borough
- has supported the Council's contractors and their supply chains to employ Tameside residents
- has improved the prosperity of Tameside
- has created a network of businesses offering work experience, career talks to enhance Careers Education Information Advice & Guidance (CEIAG) in schools and colleges, known as the Menu of Choice.

### **For Business – The Council...**

- has prompted local businesses to pay national minimum wage for apprentices and encouraged Living Wage where sustainable for the employer
- is directly supporting the growth of Tameside SMEs
- is supporting local SMEs to recognise there is a talent pool of young people in Tameside
- is changing employers misconceptions around employing young people
- is prompting SMEs to develop employment contracts and health and safety policies
- has prompted local businesses (SMEs) to consider their goals

### **For Residents – The Council...**

- has created interventions in the lives of young people that reduce the likelihood of them becoming long term unemployed
- has developed skilled traders
- has changed young people's perception of employment
- is enhancing the softer skills of young people entering work
- has prompted recipients of the funding to consider their future and raise aspirations
- has raised the aspiration of young people furthest from the job market

### **For Providers – The Council...**

- has provided incentives for provider business engagement to target Tameside businesses and create apprenticeships
- has prompted employers to use local providers
- has ensured local providers seek Tameside young people for opportunities
- has supported the creation of apprenticeship starts

5.3 Securing positive destinations for young people, increasing their income and supporting them to make positive contributions to their local communities and economy reduces the need for resource and funding across the board. Research from Social Finance ([Developing A Risk Model To Identify Young People Likely To Become NEET | \(socialfinance.org.uk\)](https://socialfinance.org.uk)) suggests that *“young people who become Not in Education, Employment and Training (NEET) are likely to experience a range of other negative personal outcomes, triggering both personal and wider economic costs: over £65,000 each in direct lifetime costs to public finances and £120,600 in wider lifetime costs to the economy and wider community.”* This includes but is not restricted to:

- **Health** cost savings relating to drug and alcohol misuse as well as costs relating to mental health support provide for annual savings relating to those young people for whom work alleviates symptoms or provides a stable environment in which to operate.
- **Police and other costs in relation to the Criminal Justice System** are significant. Anti-Social Behaviour, along with youth offending per first time entrant in to the legal system each year are particularly costly. Whilst not all participants within Tameside YES were known to the Youth Offending Service, the cost saving of preventing anti-social behaviour by NEET young people or having them commit an offence is noteworthy.
- **Housing Benefit/Council Tax Support** would provide cost savings in respect of homelessness/rough sleeping.
- **Job Seekers Allowance/Income Support /Universal Credit**, would provide a cost for each NEET young person who either is an existing claimant or is a potential future claimant.
- **Looked after Children and Care Leavers** are not only a priority group, but a vulnerable cohort of young people in which the Council must invest significant funding. Any activity providing the number of positive outcomes as seen through Tameside YES and the role of the Transition to Work Key Worker will undoubtedly reduce this investment and therefore save money in future.

## **6. MONITORING OUTCOMES**

6.1 A working task group will be created to closely monitor both the progress of the cohort of young people and the use of the funding allocated, this will include colleagues from:

- Economy Employment & Skills
- Education

- Virtual School Head
- Leaving Care
- Further Education partners such as Tameside College, Ashton Sixth Form College & Manchester College
- Post 16 provision partners such as Works 4 U

6.2 The cohort identified will be recorded in a monitoring sheet to ensure that:

- young people are individually identified and known to the relevant team members to provide support
- outcomes are known and updated to ensure a real time reflection of the young persons situation
- use of the fund to support young people is clearly recorded
- cost savings are identified and recorded

6.3 Reports will be provided to Members as set out in the delivery timetable below:

<b>Month</b>	<b>Activity</b>	<b>Outcome report</b>
August 2021	Creation of delivery team Initial engagement with cohort	
September 2021		
October 2021		
November 2021		
December 2021		Performance for Sept-November
January 2022		
February 2022		
March 2022		Performance for December - February

*A further timetable will be developed after this date if required.*

6.4 Reports will not only show anonymised outcomes achieved but will also serve as a method of highlighting any barriers that young people are experiencing and any further gaps in support identified.

## **7. RECOMMENDATIONS**

7.1 As set out at the front of the report.