

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**CABINET****23RD JULY 2015****REPORT OF THE DIRECTOR OF EDUCATION AND LIFELONG LEARNING AND
THE DIRECTOR OF REGENERATION & PLANNING****Author: Zoe Lancelott, Head of Engagement & Participation
Tel: 01443 744386****UTILISING THE EUROPEAN SOCIAL FUND TO SUPPORT YOUTH
EMPLOYMENT AND ATTAINMENT IN RHONDDA CYNON TAF****1. PURPOSE OF THE REPORT**

The purpose of this report is to outline for Members the current arrangements in place to support young people aged 16-24 years who are NEET (Not in Education Employment or Training) and the potential opportunity to add value to current provision by accessing European funding through participation in the regional 'Inspire to Work' ESF Programme.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the information contained within this report.
- 2.2 Consider whether they wish to pursue ESF funding as part of the Local Authorities regional programme under the 'Inspire to Work' element of the wider Youth Employment and Attainment programme.
- 2.3 Agree to the use of earmarked reserves of £345,965 over the life of the Inspire to Work Programme, should the decision be made to pursue ESF funding.
- 2.4 To authorise the Director of Education and Lifelong Learning supported by the Director of Regeneration & Planning to formally notify Blaenau Gwent as the lead Authority as to Rhondda Cynon Taf's intentions in relation to participating in the regional 'Inspire to Work' ESF programme.

3. BACKGROUND

- 3.1 Wales continues to have the highest percentage of young people not engaged in education, employment or training in the UK. Figures published in January 2015 show that in the 12 months ending 30th September 2014, 8.3% of 16-18 year olds in Wales (9,100 young people) were estimated to be NEET. During the same period 19.7% of 19-24 year olds in Wales (49,000 young people) were also estimated to be NEET.

3.2 The RCT Supporting Engagement in Education, Employment and Training (SEET) Strategy 2012-15 clearly sets out the Council's priority to reduce the number of young people who are at risk of becoming, or who are NEET in the County Borough. Based upon the three main components as set out in the Welsh Government Guidance 'Reducing the proportion of young people not in education, employment or training in Wales (2009)', the SEET Strategy focuses on the following:

- **The Right systems** - to identify, assess, track and engage young people who are at risk of becoming, or, who have become disengaged from education, employment or training, and provide accurate information on overall NEET levels.
- **The Right provision** – action to improve the availability of learning opportunities designed to engage young people who are at risk of becoming, or, who have become disengaged from education, employment or training and meet their needs and those of employers.
- **The Right support** – more intensive learning and personal support for the complex additional needs and challenges young people who are disengaged or disengaging often face.

3.3 The Youth Engagement and Progression Framework (YEPF), launched in October 2013, outlines the Welsh Government's vision and strategy to increase the sustained engagement and progression of young people in education, training and employment in Wales. It is based on the following six key building blocks.

1. Early identification of young people most at risk of disengagement
2. Better brokerage and co-ordination of support
3. Stronger tracking and transitions of young people through the system
4. Ensuring provision meets the needs of young people
5. Strengthening employability skills and opportunities for employment
6. Greater accountability to drive continuous improvement

3.4 An internal review of the implementation of the YEPF in RCT in December 2014 identified the need for attention to be given to the strengthening of employability skills and opportunities for employment. The Welsh Government have indicated that our position is common across Wales, placing an expectation upon all Local Authorities and partners to take a strong 'strategic approach to strengthening young people's employability skills'.

3.5 This is supported by the Youth Engagement and Progression Framework Implementation Plan that states, *'the implementation of the YEPF must lead to more young people moving into skilled employment – either directly at 16 or 18 or after a period of further or higher education. We also need to ensure that*

when they do, young people have the skills they need to succeed and can sustain employment by developing skills to progress in their chosen careers’.

4. CURRENT DELIVERY

- 4.1 Since the implementation of the RCT Supporting Engagement in Education, Employment and Training (SEET) Strategy we have seen a significant decrease in the number of 16-18 year olds who are NEET and the number of 18-24 year olds claiming Job Seekers Allowance in the County Borough.
- 4.2 The Careers Wales 2014 destination report indicates a reduction of almost 0.7% of young people identified as NEET leaving Year 11 compared to 2012 data. Similarly Year 12 leavers data shows a reduction of just over 0.7% over the same period. Most pleasingly there has been a 3% decrease in the number of Year 13 learners becoming NEET.
- 4.3 The impact of the Council’s co-ordinated strategic approach and combined efforts with a range of partner organisations is most clearly visible in the number of 18-24 year olds claiming Job Seeking Allowances in RCT. Job Centre Plus NOMIS reporting for May 2015 identified 4.8% of 18-24yr olds as NEET compared to 12.2% in 2012. This is the lowest rate in RCT since 2007 and is a staggering 7.4% improvement which is particularly encouraging especially in light of the economic climate over this period of time. Despite this achievement there is still work to be done as RCT remains above both the Welsh national average (by 1%) and the UK national average (by 1.2%).
- 4.4 A number of key developments and initiatives have directly contributed to our current NEETs figures in RCT, the majority of which however are externally funded. This poses a risk to our current position and future progress.
- 4.5 The Youth Engagement and Progression Framework requires all Local Authorities to identify a Senior Responsible Officer; a named person to perform the functions of the Engagement and Progression Co-ordinator (EPC); and Lead Workers for all young people NEET aged 16-18 years. In RCT these functions are performed by key staff within the Engagement and Participation Service who are funded by Families First grant monies, which is due to cease in March 2016.
- 4.6 Within the Engagement and Participation Service, the SEETs Co-ordinator performs the Engagement and Progression Co-ordinator function as set out in the YEPF; three Transitional Support Workers perform the generic Tier 2 Lead Worker function; and a proportion of Youth Re-engagement Officers’ time is dedicated to perform specialist dedicated Tier 1 Lead Worker function. Whilst these functions are essential to the success of current provision and future developments, unfortunately these costs are not eligible to be met by ESF grant, as WEFO will not meet the costs of Lead Worker roles.
- 4.7 The ‘Your Future First’ Programme is a 13 week pre-engagement programme, aimed and tailored to meet the needs of young people 16 – 24 who are not engaged in Education, Employment and Training (EET) and have many

barriers to sustaining engagement. The programme is delivered in community settings in partnership with a range of public private and third sector organisations. The 90 young people a year involved in Your Future First receive additional support from the Transitional Support Workers before during and after the programme to secure sustained engagement. Detailed outcomes are presented in Appendix A.

- 4.8 The 'Bridges into Work' employability programmes have proven to be successful in engaging young people aged 18 to 24 years and achieving an employment outcome for 71% of the participants. Utilising the same methodology a pilot 'Young Bridges' employability programme for young people from the age of 16 has been running since January 2015, funded by a small one off grant. This has provided 12 sector specific employment pathways for 170 young people over the last 6 months. Detailed outcomes are presented in Appendix A.
- 4.9 RCT's Organisational Development Team within HR deliver the Council's Apprenticeship Programme to provide career development for individuals and meet the workforce planning needs of service areas. Over the past two years 28 apprentices have been recruited as part of the scheme.
- 4.10 Step in the Right Direction provides paid traineeship opportunities for young people aged 16-21 living in and leaving care in RCT who are given placement opportunities (ranging from 6 weeks to 18 months) within a variety of council departments and private employment settings. The aims of the programme are to improve long-term employment outcomes for young people leaving care. Detailed outcomes are presented in Appendix A.
- 4.11 The 'Care 2 Work' Programme is a pre-engagement programme that seeks to provide looked after children and care leavers with encouragement and support to identify and access a range of training opportunities. Young people are supported by Co-ordinators to access the programme through listening, advising, boosting confidence, offering reassurance and emphasising the positive aspects of a job or career. Detailed outcomes are presented in Appendix A.

5. PROPOSED REGIONAL 'INSPIRE TO WORK' ESF PROGRAMME

- 5.1 The West Wales and the Valleys regional ESF Youth Employment and Attainment programme currently involves ten Local Authorities and is led by Blaenau Gwent. 'Inspire to Work' is one of the strands within this wider programme and the proposal set out in this report relates to what RCT will deliver locally as part of this regional arrangement. Currently the regional bid is at Business Planning stage with WEFO and Blaenau Gwent are currently seeking confirmation from Local Authorities as to their intention to engage in the programme. WEFO approval is expected over the summer months in preparation for the programme commencing in September 2015.
- 5.2 The 'Inspire to Work' proposal offers the opportunity to provide a coherent single employment pathway for all young people in RCT. It pays particular

consideration to our role as Corporate Parent in supporting the needs of looked after children and care leavers.

- 5.3 The proposed programme directly supports our identified shortfall in provision in relation to the Welsh Government's Engagement and Progression Framework (YEPF) and is based upon 10 years experience of meeting the needs of care leavers; 6 years of delivering the 18+ employability programme Bridges into Work; 3 years of delivering Your Future First as a pre-engagement programme for young people aged 16+; and a 6 month pilot of delivering the proposed Young Bridges model to young people aged 16-24 years.
- 5.4 Targeting 226 participants per year during the lifetime of the project, the proposed programme will support 678 young people aged 16-24 years to move closer the labour market with a high percentage gaining qualifications and work experiences as a result. It is proposed that the Programme will comprise two elements:
- **Young Bridges into Work** – engaging young people, developing their work skills and supporting them into employment, education or training;
 - **Care 2 Work** - a targeted engagement and employment programme that provides additional support for care leavers.
- 5.5 During the development of the proposed involvement in this ESF programme we have been cautious to ensure that the operational restrictions/limitations inherent in ESF funding have been kept to a minimum so not to negatively impact on our current arrangements which are delivering successful outcomes. We are therefore confident we would be able to meet the WEFO stipulated outcomes comfortably.
- 5.6 The proposed ESF programme would see 8.1 FTE posts (9 members of staff) funded by WEFO; 7 existing posts and 2 new posts. Of the 7 members of staff currently in post, 5 are in redundancy situations as a result of loss of external grants forcing service cuts within the Community Learning Service. As the majority of posts are already established, to reduce costs the existing line management arrangements will remain with ESF activity and outcomes reported via the SEETs Co-ordinator who will fulfil the function of ESF Programme Manager. The reporting structure for the proposed programme is presented in Appendix B.

Programme format – Young Bridges element (200 participants per year)

- 5.7 There are three phases to the Young Bridges programme. Young people can enter any phase of the programme once their needs have been identified, assessed and agreed with them directly.

Phase 1. Pre- Engagement – 'Your Future First'

Families First funding of £100k per year currently enables the delivery of six Your Future First programmes per year reaching 90 young people per annum across RCT. It is proposed that the inclusion of Your Future First within the Young Bridges employability pathway would result in ESF funding picking up

this current cost to Families First which is due to end in March 2016. Over the life of the ESF project a total of 270 young people will receive outcomes via this first phase.

Phase 2. Engagement and Development of Employability Skills. Aims to develop employability skills further with an additional two weeks focused on Sector Specific qualifications and employment routes linked to RCT Labour Market opportunities including; Care, Retail, Contact centres, Railways (PTS training), Security services and Hospitality. Employers will be directly involved both in the planning and delivery of the programmes linked to sector specific requirements and training. Intensive jobsearch advice and support will continue to be offered while the mentor continues to keep in touch with participants who have entered employment so that they are on hand to address any issues that may threaten the sustainability of that job.

Phase 3. The Final Phase. During this phase young people will be supported into Education, Employment, Training or Volunteering with continuing support from mentors from the programme and appropriate partner engagement services within their community areas. There will be a requirement to work closely with other partners who are engaged with some of the participants and their families who form the existing SEET Partnership arrangements, and to ensure a seamless process for the individual as they progress between partners and through the programme and potentially into other ESF National/Regional Projects.

- 5.8 Within this element of the proposed ESF project we would expect to provide 3 pre-engagement programmes and 18 sector specific employability programmes per year reaching a total of 600 young people over the life of the project.

Programme format – LAC element (26 participants per year)

- 5.9 Utilising existing delivery models, this element of the proposed ESF project seeks to provide looked after children and care leavers with support to identify and access a range of training and employment opportunities.
- 5.10 Proposed activity will provide Care 2 Work support to an additional 24 young people who are looked after and care leavers as well as an additional two places for 16-18 year olds on the Step in the Right Direction Traineeship programme. Within this element of the proposed ESF project we would expect to reach 78 LAC and care leavers over the life of the project.

Programme costs

- 5.11 The following table provides a financial summary of the overall costs of our proposed involvement in the regional 'Inspire to Work' ESF programme. It is important to note that as the regional ESF programme has not yet received WEFO approval, the figures presented here are our best estimate at this time.

Financial Summary

WEFO

Total Project Cost	£ 2,098,248.24
ESF (68.3611%)	1,434,385.58
MATCH (31.6389%)	<u>663,862.66</u>
	<u>£ 2,098,248.24</u>

MATCH IDENTIFIED ~ LAC PROPOSED EARMARKED RESERVES REQUIRED	317,897.11	<i>(to be confirmed by WEFO)</i>
	<u>345,965.55</u>	
	<u>£ 663,862.66</u>	

- 5.12 Under the new European programme eligible project costs are now calculated according to a predefined method based on activities, outputs, results or as a fixed percentage of some other costs. These methods are known as 'Simplified Costs' and the purpose of which is to alleviate the administration burden of having to trace every pound of expenditure back to supporting financial documentation.
- 5.13 Blaenau Gwent Council as the lead sponsor for this project has recommended the Flat Rate 40 (FR40) method to calculate the total eligible project costs. This method gives all sponsors the maximum grant and minimum contribution to the project, the total eligible project costs are defined as direct staff costs, plus 40%, plus procured delivery costs. Therefore, the costs shown above have been calculated in the following way;

Total Staff Costs	=	£1,366,963.03
plus 40% (£546, 785.39)	=	£1,913,748.42
plus Procured Delivery Cost of £184,499.82	=	£2,098,248.24

It is intended that all other non staffing programme delivery costs including qualification and examination fees and equipment will be met from the 40% allocation. Procured delivery costs cover trainee allowances.

- 5.14 If the project spends according to the proposed delivery profile, the 40% allocation will more than cover the other non staffing / procured delivery costs. If this happens, there may be an option to use the surplus made from the 40% allocation towards the shortfall in match funding.
- 5.15 However, a surplus will only be achieved if the project spends to profile as the total value of the 40% allocation will decrease if expenditure on staff costs reduces. Similarly, if the total other costs increase, the 40% allocation will have to fund these additional costs. Guidance is awaited from WEFO on using a surplus made from the 40% allocation as match funding.

- 5.16 The estimated cost per participant is £287.60. A further breakdown of the costs can be found in Appendix C.

6 CONCLUSION

- 6.1 Rhondda Cynon Taf has made good progress over the last three years in reducing the number of young people in the County Borough who are NEET (Not in Education Employment of Training). This is due to the effective arrangements in place to reduce the risk of young people becoming NEET as well as providing direct support young people aged 16-24 years who are NEET.
- 6.2 This report sets out the potential opportunity to add value to current provision by accessing European funding through participation in the regional 'Inspire to Work' ESF Programme leading to further improvements in the reduction of NEETs in RCT.

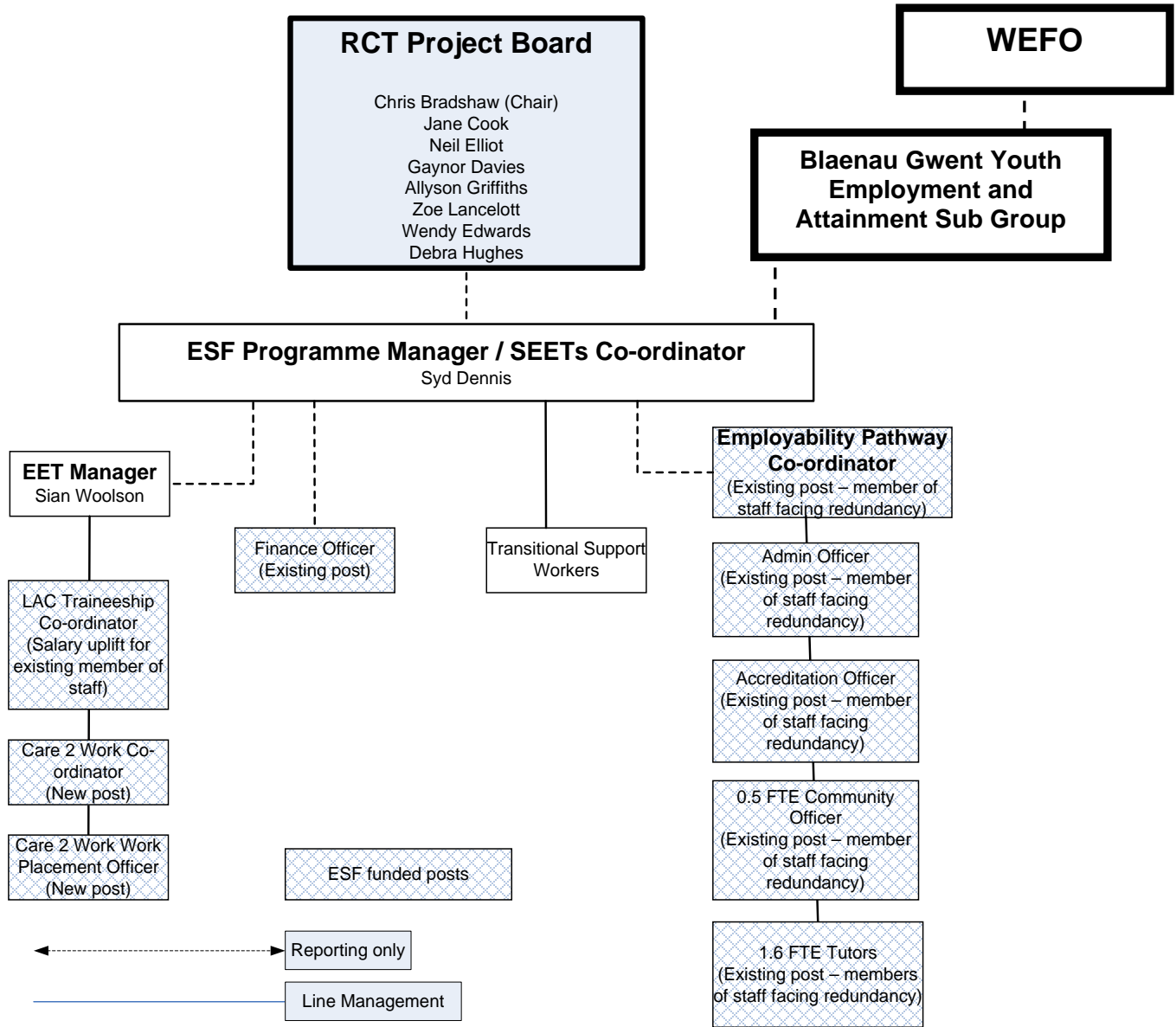
Appendix A

OUTCOMES OF CURRENT EMPLOYMENT PATHWAY PROVISION

Current Provision Outcomes	
Your Future First 2014/15	£100k
Number of young people accepted onto the programme	89
Number of young people completed 13 week programme	84
Number of young people gaining formal qualifications	76
Number of young people progressing from Tier 2 to Tier 3	75
Number of young people engaged in ongoing support from Transitional Support Workers	9
Young Bridges Pilot January 2015 – June 2015 (6 months)	
	£74.5k
Number of young people engaged in programme	170
Number of young people received Essential Skills Assessment	170
Number of employment routes linked to local employers needs delivered	12
Number of young people participated in training	125
Number of formal qualifications gained by 125 participating in training	215
Number of young people attended an interview with an employer	60
Number of young people progressing into paid employment	22
Number of young people progressing into voluntary work placements	20
Number of outcomes still pending	38
LAC Step in the Right Direction (Traineeship) Programme 2014/15	
	£151k
Number of young people completing Traineeship Programme	4
Number of young people progressing onto full time employment within 6 months.	4
Number of new trainees recruited onto the programme.	7
Number of formal qualifications gained (below level 2)	18
Number of formal qualifications gained (Level 2 or above)	6
LAC Care 2 Work Programme 2014/15	
	£56k
Number of young people inducted onto Care 2 Work Programme	20
Number of young people progressing onto full time employment	6
Number of young people progressing into voluntary work.	7
Number of young people progressing onto further education or training	17

Appendix B

INSPIRE TO WORK – PROPOSED REPORTING STRUCTURE



Appendix C

PROPOSED REGIONAL ESF 'INSPIRE TO WORK' PROGRAMME
BREAKDOWN OF COSTS

Costs highlighted in green are currently met by Families First funding.
 Costs highlighted in yellow are currently met by Core Council funding.
 Costs highlighted in blue would be met by ESF.
 Costs highlighted in red are new to the Council.

ESF 'Inspire to Work'	Funding required (per year)
Match funding required @ 32% (226 participants)	£115k
Continue to deliver Engagement and Progression Framework functions	
<ul style="list-style-type: none"> Engagement and Progression Co-ordinator / SEETs Co-ordinator Tier 2 Lead Workers / Post 16 Transitional Support Workers (1198 x Tier 2 16-18yr olds / 18-24yr old JSA claimants) Tier 1 Lead Workers / Youth Re-engagement Officers (8%) (305 x Tier 1 16-18yr olds) 	£185k
<i>This cost is not eligible to be met by ESF</i>	
Young Bridges Phase 1 - Your Future First (90 x Tier 2 16-18yr olds / 18-24yr old JSA claimants)	£100k
Young Bridges Phases 2 & 3 (110 x Tier 2/3 16-18 yr olds / 18-24yr old JSA claimants)	£411k
WEFO Project costs	
Continue to deliver Step in the Right Direction Programme (12 x LAC - Traineeships)	£151k
(Match available)	£49.8k
Continue to deliver Care2Work Programme (22 x LAC - Employment support)	£56k
(Match available)	£49.8k
Extension to current Step in the Right Direction Traineeship Programme (2 x LAC - Traineeships)	£43.5k
Extension to current Care2Work Programme (24 x LAC – Employment support)	
Total cost to Council per year	£507k
Additional investment required by the Council per year	£115k
Total cost to Council over 3 years	£1,521k
Additional investment required by the Council over 3 years	£345k
Impact:	
<ul style="list-style-type: none"> Intensive one to one support for the most vulnerable young people aged 16-18 yrs in Tiers 1&2 would remain in place past March 2016. One to one support for NEET 19-25 yr olds would remain in place past March 2016. Comprehensive pre-engagement training and employment pathway support in place for any young person aged 16-25 however limited flexibility to meet local and individual need in line with Council priorities. 2 additional LAC traineeship opportunities created 24 additional places on the Care2Work programme for LAC and care leavers 	
Number of participants (based on capacity and 2014/15 averages):	1,763
Number of participants over life of project:	5,289
Cost per participant:	£287.60

