

Item No.	Classification: Open	Date: 9 July 2014	Decision Taker: Cabinet Member for Children and Schools
Report title:		Implementation of the Fairer Futures for Young People and Getting Ready for Work projects as part of the Youth Fund	
Ward(s) or groups affected:		All	
From:		Merril Haeusler, Director of Children's Services	

RECOMMENDATIONS

1. That the Cabinet Member for Children's Services agrees to the implementation of the Fairer Futures for Young People project and Getting Ready for Work projects as part of the Youth Fund programme for 2014/15 – 2016/17.
2. The agreed commitments for the proposed projects are £750,000 to the Fairer Futures for Young People project and £525,000 to the Getting Ready for Work projects as set out in paragraph 36.

BACKGROUND INFORMATION

3. The council is creating a fairer future for all as set out in the council plan. In 2011, the council put in place a Youth Fund which focused on supporting young people into education, employment and training. Since its launch, the Youth Fund has supported 80 young people into employment, 189 young people to obtain a work placement, and 26 young people to obtain a scholarship. In addition, 3814 young people, who would otherwise have struggled with costs of remaining in education due to the loss of the EMA, have been provided with direct financial support.
4. Now more than ever the council is focusing its efforts on supporting Southwark's young people, particularly through tough economic times. Our Youth Guarantee will mean every school leaver has something to do, whether training, education or a job. We want to get more of our young people working as set out in our economic well-being strategy and improve life chances for all our young people as set out in our children's and young people's plan. Our aim is to get our young people best equipped to take advantage of future economic growth in the borough and across London through quality training, advice, help to get a job and continued support once they're in work.
5. The Southwark Youth Fund 2014/15 to 2016/17 will take the best from our Youth Fund to date, continuing to deliver the scholarship and education supplement schemes, and redoubling our efforts to get young people working.
6. The Southwark Youth Fund 2014/15 to 2016/17 will be delivered over four years through two priority themes:

- Supporting young people to develop employability skills and assist their pathway into employment
 - Keeping young people engaged with learning
7. **Theme one: Supporting young people to develop employability skills and assist their pathway into employment.** This theme will consist of a range of interlocking and complementary interventions aimed at providing young people with jobs and apprenticeships.
8. **Theme two: Keeping young people engaged with learning.** This theme will deliver a range of projects that will either deliver financial support to young people or broaden the range of learning experiences available to them.

KEY ISSUES FOR CONSIDERATION

9. Two substantial new elements are proposed in the Youth Fund programme under theme one for 2014/15 to 2016/17, which will target young people who are finding it difficult to gain and keep employment and provide them with jobs and apprenticeships. These are the Getting Ready for Work project and the Fairer Futures for Young People project.
10. The inclusion of these two new projects within the existing Youth Fund programme requires Cabinet member approval.

The Getting Ready for Work project

11. Getting Ready for Work will provide a 'ladder of support' for young people who are keen to engage in employment but are not work ready. The offer will target support based on their level of need and work readiness of the young person. Those closest to the labour market are likely to require minimal support but will benefit from short, specific pre-employment training, motivational support, and support to overcome specific barriers to work. Medium level support, including employability support, taster sessions and work placements will be offered to young people who require guidance and practical experience in order to pursue employment. Intensive support for those furthest from work will include mentoring, work experience and opportunities to develop life skills. A young person may move up or down the 'ladder of support' depending on progress.
12. Medium level and lighter-touch support service commenced in April 2014 through a contract with Inspire At St Peter's to the value of £75,000 which builds on and extends existing service provision through that organisation. Further support to be commissioned in 2014/15 will provide intensive employment support for young people who are in most need of support to access and sustain employment. It will integrate and add value to existing services supporting young people who are NEET, young people in care and other cohorts with complex needs. The service will build on focus group research carried out in 2013 with long-term unemployed young people in Southwark to design effective support for young people with multiple challenges to finding and keeping work.

The Fairer Futures for Young People Project (FFYP)

13. The Fairer Futures for Young People project has been developed through consultation with employers, service providers, strategic partners and young people in Southwark. The project is aimed at those young people who need the

most support to secure and sustain employment. It aims to generate employment and learning opportunities for young people in Southwark and stimulate support for sustainable economic growth with Small to Medium Enterprises (SMEs).

14. A key feature of the FFYP project is the offer of financial incentives to employers who can offer a job lasting one year paying London Living Wage to young people who are finding it hardest to get and keep work. SME and voluntary and community sector (VCS) employers in Southwark will be targeted, enabling employers to grow a local workforce with financial support, mentoring and recruitment support.
15. Under the FFYP project, young people will:
 - Receive training and support to enhance functional, IT and soft skills and reach readiness to work
 - Receive support in the recruitment process with employers who are committed to employing young people
 - Receive coaching (outside and on the job) by mentors who can help them manage complicated family and personal challenges while remaining in employment and reaching higher levels of resilience
 - Gain paid employment for one year (and a qualification when relevant) to significantly improve their position in the labour market
 - Earn an income at the London Living Wage
 - Receive opportunities to engage with peers, learn and be inspired by those who managed to overcome similar challenges and secure long term employment
 - Receive ongoing support to ensure progression into sustained jobs.
16. The target group of young people are those aged between 16 and 24 who are facing significant challenges in finding and keeping work. As a guideline the cohort will include the following target groups, with some people falling into more than one category:
 - 16-19 NEET
 - 19-24 former NEET
 - 16-24 claiming JSA for more than 6 months
 - 16-24 claiming ESA or Income Support (and looking for work) including lone parents
 - 16-24 looked after children or local authority care leavers
 - 16-24 with learning disabilities
 - 16-24 mental health service users or former mental health service users
 - 16-24 in contact with the criminal justice system or with a criminal record
17. In accordance with the raising participation age agenda, young people between 16 up to their 18th birthday will be offered positions combined with part time education or training (minimum 280 hours a year) or an apprenticeship. Young people after their 18th birthday until the age of 24 will be offered a full time job or an apprenticeship, however flexibility will be built in to allow for young people to work part-time where circumstances require it, for example to meet caring responsibilities.
18. The project will promote apprenticeships to young people who will benefit, and will draw eligible participants from the pre-apprenticeship element of the Youth

Fund. Employers will be expected to offer young people the possibility of pursuing a Level 2 or 3 qualification and to partner with the Southwark Apprenticeship Scheme in order to receive council support. However consultation with employers, young people and service providers has highlighted that employers should also be encouraged to offer employment to young people for whom apprenticeships may not be appropriate. This option will make sure that all those within the cohort are included by the project and supported to access the labour market.

19. A number of measures will be put in place to ensure progression into sustained work. Employers must commit to provide a guaranteed interview for any suitable vacancy within the organisation and support the young person with job search and time off for interviews during the last months of their employment. The young person will also receive run-on support and mentoring during and after their 12 month employment to support them with finding their next job.
20. Financial incentives will be offered to employers who commit to offer a one year employment contract to a young person supported by the programme. The level of wage contribution will be established according a sliding scale, based on business size and type.
 - Businesses with more than 10 employees and fewer than 250 FTE employees may receive 35% of the gross London Living Wage.
 - Businesses with up to 10 staff FTE may receive the equivalent of 50% of the London Living Wage.
 - The voluntary and community sector will be eligible for a financial incentive of up to 75% of London Living Wage.
21. The higher level of subsidy to the VCS reflects the likely availability of budgets for additional posts in the current funding environment, the public benefits of supporting VCS employment and suitability of the VCS as employers for young people with personal barriers to employment. Larger organisations will also be eligible to participate and receive the full level of support for the employer and employee but will not be offered incentive payments.
22. The FFYP project will also draw on the Jobcentre Plus wage incentive scheme as match funding. This scheme targets a similar cohort of young people however it offers employers a lower incentive of £2275 for six months sustained full time employment. Where the employer is eligible for both payments, the council's contribution will 'top up' the employer's Jobcentre Plus payment to the level eligible under the FFYP project. The additional support available to both employers and young people enhanced financial incentive and targeted local promotion of the FFYP project is designed to generate a step-change in the engagement of employers with this offer in Southwark.

Risks

23. The key risk in developing a scheme of this kind is that employers are not effectively engaged and insufficient employment opportunities are offered. The risk that young people in the target cohort will not engage with the programme also needs to be considered.
24. Evidence from consultation with employers, and from the previous Future Jobs Fund and the current Jobcentre Plus wage incentive programme suggests that employers respond positively to both financial incentives and support with

recruiting and mentoring young people in the workplace. The combination of both elements within the FFYP project therefore mitigates against a lack of employer participation.

25. The target cohort is made up of approximately 1800 young people in Southwark, most of whom have been out of work for a significant period. Some may be struggling with complex challenges in their lives, others may have become disillusioned with employment support programmes and reluctant to engage. To promote engagement the project has been designed around some of the key lessons from recent focus group research carried out with long term unemployed young people in Southwark about the type of support that works for young people. Engagement with the wider Youth Fund programme will enable advisers supporting young people to make referrals to the FFYP project when they are ready to move into supported employment. In this way young people will be supported on a ladder with the sustained employment guaranteed by FFYP seen as the final step. Additionally, the possibility of 12 months supported employment on the London Living Wage provides a unique offer that is expected to motivate and engage the target cohort.

Implementation

26. A commissioning process will be undertaken to appoint a service provider to carry out the engagement of employers, coordinate the recruitment process, including advertising and shortlisting, and to provide the mentoring of employers and young people hired by them. A range of service providers have been consulted and their views incorporated during the development of the delivery model.
27. The commissioning of a service provider is expected to complete later in 2014 with delivery commencing shortly after.
28. Implementation will be supported through a partnership of key stakeholders including Southwark Works, wider Youth Fund service providers, Jobcentre Plus, business networks and the Southwark Apprenticeship Scheme.

Consultation

29. Two consultation events with employers and service providers were held in February and April 2014 to inform the development of these projects and consult on the proposed model. Jobcentre Plus has also been engaged extensively in the development of the projects.
30. A series of focus groups were held over 2013 with long term unemployed young people in Southwark and a further focus group was held in May 2014 with young people in care, to understand how they experience the search for sustainable employment and how more effective services may be designed.
31. Officers from Children's Services and Organisational Development have contributed to the development of the Fairer Futures for Young People project. Officers from other London boroughs which have operated wage incentive programmes have also been consulted and their experience integrated into the design of the model.

Policy implications

32. Southwark's Economic Wellbeing Strategy seeks to make Southwark a place where people, especially our young people, are equipped with the skills and ambition to make the most of our central London location. Under priority 1, Employment: narrowing the gap with the London employment rate, the Strategy highlights the ambition that every young person will leave school or training ready for work and more aware of how to start and develop a business. Youth Fund activity under both projects will be a key delivery element of the Economic Wellbeing Strategy.

Community impact statement

33. The Getting Ready for Work and Fairer Futures for Young People projects will respond to the current challenges facing young people in Southwark leaving education into the labour market. The projects will address barriers to employment for young people that are complex and can be multiple. Recent council research with long term unemployed young people in Southwark highlights that effective employment support recognises additional barriers to engagement and success and seeks to address them through targeted and personalised interventions. The service will be designed to address barriers to employment for young people in Southwark in a way that has a positive impact on young people across all groups.

Equality Analysis

34. An equality analysis has been carried out on both the Getting Ready for Work projects and Fairer Futures for Young People projects. These are new initiatives, with the Fairer Futures for Young People project in particular including innovative elements of design which have not previously been subject to equality analysis. The analysis identifies the key service users and stakeholders, sets out the involvement of stakeholders in the development of the service and considers a number of potential impacts across the protected characteristics, with detail of the mitigating actions that have been incorporated into the service design. The full analysis can be found at Appendix 2 to this report.

Proposed Costs

35. The Youth Fund has an allocated budget of £1m per annum set aside for three years, starting in 2014/15. The 2014/15 allocation also includes carried forward sums attached to the wider Youth Fund programme.
36. The proposed spending commitment for The Getting Ready for Work project and Fairer Futures for Young People projects are set out below to 2016/17,

	2014/15	2015/16	2016/17	Total
Getting Ready for Work	115,000	200,000	210,000	525,000
Fairer Futures for Young People	50,000	300,000	400,000	750,000

37. The expenditure profile includes lower costs in 2014/15 when projects will be commissioned, increasing in 2015/16 with full delivery in place. Incentive payments to employers under the Fairer Futures for Young People project will be

committed before the end of 2016/17. However staged payments will continue until 12 months after the last young person is appointed under the scheme.

38. Appendix 1 shows existing commitments made in 2014/15 across the Youth Fund. This highlights that the recommended commitments can be made within available budgets. A further £1,652,553 remains for allocation across the Youth Fund themes up to 2016/17.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

39. The Director of Legal Services (acting through the Corporate team) notes the content of this report, which seeks approval of the inclusion of two new projects (“Fairer Futures for Young People” and “Getting Ready for Work”) in the existing Youth Fund programme. Under Part 3D of the council constitution the Cabinet Member may agree (amongst other things) strategies, significant policy issues and service plans in relation to his/her area of responsibility.
40. The report sets out the objectives of the new projects and explains that their implementation through the Youth Fund programme is consistent with corporate policy in relation to the provision of employment focused support for young people between the ages of 16 and 24; specifically, the Council Plan and the Economic Wellbeing Strategy.
41. The Public Sector Equality Duty contained within section 149 of the Equality Act 2010 requires that, in exercising its functions and in its decision making processes, the council must have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age, disability, gender reassignment, pregnancy/maternity, race, religion/belief, sex and sexual orientation.

When considering the report recommendations the Cabinet Member is referred to paragraphs 33 and 34 of this report which note the community impact statement and the equality analysis which has been undertaken.

The Director of Legal Services will advise and assist officers in connection with the commissioning and procurement of a service provider for the purposes set out in paragraph 26.

Strategic Director of Finance and Corporate Services - JSMANAK (27052014)

42. The Policy and Resources Cabinet report dated 12 February 2013 agreed the funding for the Youth Fund to 2017. The following resources are available:

Total resources available as at 1st April 2014-15 £2,228,305	Funds allocated 2015-16 £1,000,000	Funds allocated 2016-17 £1,000,000	TOTAL FUNDS ALL YEARS £4,228,305
--	--	--	--

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Economic Wellbeing Strategy	Corporate Strategy http://www.southwark.gov.uk/downloads/download/3275/economic_wellbeing_strategy	Danny Edwards 020 7525 5105
Southwark youth long-term unemployment - Co-designing solutions (Research paper) March 2014	Corporate Strategy	Danny Edwards 020 7525 5105

APPENDICES

No.	Title
Appendix 1	Youth Fund commitments to date
Appendix 2	Equality Analysis

AUDIT TRAIL

Lead Officer	Merril Haeusler, Director of Children's Services	
Report Author	Nick Wolff, Principal Strategy Officer	
Version	Final	
Dated	24 June 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	27 June 2014	