

Cabinet Committee on Performance Improvement

Meeting to be held on 3 July 2012

Electoral Division affected: All

European Social Fund: Project for Young People who are, or are at Risk of Being, Not in Employment, Education or Training 2011/2013 – Performance Update

(Appendix 'A' refers)

Contact for further information:

Mike Heaton, (01772) 531842, Directorate for Children and Young People,
mike.heaton2@lancashire.gov.uk

Executive Summary

This report provides an update on performance of the European Social Fund Not in Employment, Education or Training Project 2011/13 covering the validated data period of 1 September 2011 to 20 March 2012.

Recommendation

The Cabinet Committee is asked to:

- (i) Note and comment on the report;
- (ii) Note that regular performance reports will be provided to the Cabinet Member for Young People and an update on progress will be made to the Cabinet Committee at the end of each calendar year.

Background and Advice

In November 2010 Lancashire County Council facilitated a 'Partnership' responding to an invitation to tender by the ¹Skills Funding Agency for European Social Funding (ESF) aimed at reducing the number of young people Not in Education, Employment or Training (NEET).

Lancashire's response to the tender specification is to bring together Lancashire County Council services with key stakeholders from further education, work-based learning providers and voluntary and community groups to strategically provide an inclusive and integrated model to reducing Young People who are NEET or are at risk of being NEET.

The Partnership agreed that support to young people in breaking down their barriers to participating in learning, training or employment should be planned over a period

¹ Lancashire County Council is under contract with the Skills Funding Agency who determine outcomes to be delivered.

of time (six, twelve, eighteen weeks) and that each engagement activity should build upon each other rather than stand alone activities with no progression. For example, personal and social development energiser activities should help to build confidence leading to employability, literacy and numeracy activities to build competence which can lead to vocational qualifications supporting their career aspirations and interests.

A bid was submitted by the County Council and accepted in full by the Skills Funding Agency.

In July 2011 the County Council received its contract from the Skills Funding Agency after a delayed procurement process of over nine months.

Service aims

The Service aim is to reduce the number of young people, aged 14-18 (or up to 25 for young people with Learning Difficulties and Disabilities) in the Lancashire sub-region, who are at risk of becoming, or are, NEET. This is in order to improve their education, employability and personal skills and to enable them to successfully progress into work or further learning or training.

Funding, target number of young people to be helped and outcomes:

The total contract value is £3,558,067.00 targeting a minimum of 1,621 young people over three years. The number of young people to be targeted is prescribed by the Skills Funding Agency. To help put this into context the number of young people NEET, in Lancashire, in September 2011 (the start of this ESF Programme) was 2,295 and in March 2012 (the reporting date of this report) it was 2,612. The 'Partnership' agreed to the funding methodology allocating resources broken down to district level using available NEET cohort data (as at December 2010).

- Outcomes are defined by the Skills Funding Agency, using their terminology, in the form of deliverables, of which actual achievement of these deliverables draw down funding. Key outcomes are accreditation and progression into work, learning or training.
- **Appendix 'A'** shows our profile for the delivery of this work with the Skills Funding Agency. A narrative is provided describing what these deliverables mean.

Timeline of this project

The ESF calendar runs from January to December. This project should have commenced in January 2011 and ceased in December 2013.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2011									Start*			
2012												
2013												End*

Due to the protracted procurement process managed by the Skills Funding Agency this meant activity and the engagement of young people in Lancashire did not commence until September 2011. We have and continue to lobby the Skills Funding Agency for the lost time to be added to the end of the project.

Geography

Young People must reside in one of the 12 County Council districts to be eligible for support with priority being placed on supporting those most disadvantaged residing in deprived areas where there are high levels of NEET.

Performance to date

Activities within this ESF NEET programme are prescribed by the EU and the Skills Funding Agency (SfA) within the following framework:

Activities within the programme last on average twelve weeks.

They are designed to help young people to progress into learning or work and to achieve a qualification.

A typical programme will have the following elements:

- A period of assessment of the young person's needs and identification of any barriers to learning or progression leading to the production of an individual action plan.
- If necessary a period of different activities designed to re-motivate and build the confidence and self esteem of the young person
- One to one support and mentoring
- Information, advice and guidance (IAG)
- Learning leading to the achievement of a qualification
- Support to address the issues that may be preventing the young person from progressing and to address specific needs.
- Work experience or the opportunity to trial different occupations
- Support in progressing into learning or work.

Lancashire County Council, as part of its contract with the SfA, is expected to meet the following headline outcomes over the life of the project: Further detail is provided in Appendix 'A':

Outcome description	Total number of young people to be supported by Dec 2013	Number of outcomes achieved by LCC up to end 20 March 2012		Is this ahead or behind planned delivery profile?
		Profile	Actual	
Number of young people to start the programme. (YP to be assessed, action plans and support put in place)	1,621	160	264	Ahead*
Number of young people in a Vulnerable Groups category (Young mum, young offender, Looked after child, Learners with learning difficulty/disability)	434	31	27	Slightly behind*
Number of young people to achieve an accredited qualification of at least 45 guided learning hours	1,058	46	31	Slightly behind*
Progression into further learning, training or employment (All actuals to-date are progression into further learning/training)	808	34	27	Slightly behind*
Project evaluation (N/A at this time, relates to project close)	N/A	N/A		N/A
Impact monitoring report (quarterly)	LCC meet with SFA	LCC meet with SFA		N/A
Service level agreement/contracts in place	-	All subcontractor contracts in place		As planned

*see supporting narrative below

***Supporting narrative: Actions to ensure outcomes are met**

Lancashire County Council is ahead of profile for the numbers of young people to have started the programme and slightly behind on the number of young people from vulnerable groups, number of young people achieving a qualification and the number of young people progressing from NEET into further learning, training or employment.

Mitigating factors for this are as follows:

The Skills Funding Agency state stringent evidence criteria for each outcome. Prior to outcomes being recorded or claimed subcontractors must ensure all evidence is in place, as described by the Skills Funding Agency, and provided in guidance by Lancashire County Council. This is often a paper exercise and is retrospective to the activity. This results in a one/two month lag from activity taking place to being recorded on the Skills Funding Agencies data capture system.

Number of young people from a Vulnerable Group category:

Subcontractors record these 6 weeks (this timeframe is prescribed by the Skills Funding Agency) after the young person is on the programme, some subcontractors are simply not capturing this through their data systems. LCC, via performance management reviews is raising this as an issue with subcontractors.

Number of young people to achieve a qualification:

As above, subcontractors must meet specific evidence criteria to record/claim the outcome. The Skills Funding Agency require hard copy certificates of achievements in order for the claim to be made. There is often a delay in receiving certificates of achievement from Awarding Organisations which again, results in a lag from activity taking place to being recorded.

Progression into further learning, training or employment:

As we are in the early stages of delivery the majority of young people on the programme are still being supported. However, prior to being recorded as an outcome a young person must have sustained attendance for a minimum number of hours and weeks in learning, training or employment. Due to the complex nature of progression there is a 13 week window from a young person leaving the programme to commencement in their next destination. This again causes a lag in actual recorded outcomes for progressions.

The County Council is undertaking performance management reviews with all subcontractors and is taking action where there is any underperformance: Providers are informed, following reviews, what action is required. Sustained non-compliance could result in either a variation or termination of their contract with the County Council.

Performance Overview

- Main barriers to performance to-date have been Education Funding Agency/Skills Funding Agency generated. A very protracted procurement process with delays in getting to contract. Invitation to Tender described a three year contract commencing **1 January 2011**. Even now all SfA paperwork describes a programme that commenced 1 January 11 although actual commencement was Sept 11. We have and continue to lobby for the contract end date to be extended accordingly.
- Signed contract from SfA received **27 July 11**. By default, this delay of several months had a sequential impact upon our own timelines of getting from **modelling to contract** with subcontractors creating the same domino effect with subcontractor recruitment of key personnel (this timeframe ran across the 2010/11 and 2011/12 financial years and many subcontractors, with no sign of a contract, released staff).
- Additionally, clarification of service deliverables (outcomes) and response times from the Skills Funding Agency have also been protracted.
- In reality, this created a September/October start of the programme with a missed recruitment window (particularly with the KS4 strand) due to delays, i.e. the summer period is historically a recruitment window due to school leavers or 16, 17 year olds on one year courses at risk or become disengaged.

The County Council recently re-profiled (January 2012) which shows a more realistic position, particularly as subcontractor infrastructure and processes are beginning to impact. The number of young people starting the programme is above profile and there is a minimal difference between profile and actuals. Where differences are present analysis of risk is deemed low. The County Council has strategies in place with our subcontractors to tackle under-performance where required.

The County Council is on profile to meet our contractual and moral obligations in this project. Further re-profile opportunities exist should they be required with the Skills Funding Agency.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk Management

The distribution of resources was a potential area of conflict between partners but careful consideration, consultation and full engagement of partners has minimised this possibility.

Emerging national developments such as the Youth Contract pose a risk if this not delivered in an integrated or coherent way. An outcome of the government's procurement of this work is not yet known.

Financial

Risk is minimal on the County Council as the Skills Funding Agency pay on actual delivery. There is a potential exposure if partners do not have robust audit and financial systems in place to meet the requirements of ESF/Skills Funding Agency Auditors, leading to claw back from the County Council. This risk is reduced as any reconciliation is directly passed to the subcontractor. Additionally, performance management reviews with subcontractors further mitigate this risk.

Legal

All subcontractors have been issued with a legally binding contract.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report to the Cabinet Committee on Performance Improvement - LCC ESF for young people who are, or at risk, of being Not in Education, Employment or Training	24 November 2011	Dave Gorman, Office of Chief Executive, (01772) 534261
Report to the Cabinet Committee on Performance Improvement - LCC ESF for young people who are, or at risk, of being Not in Education, Employment or Training	7 October 2011	Dave Gorman, Office of Chief Executive, (01772) 534261

Reason for inclusion in Part II, if appropriate

NA