

## Cabinet Committee on Performance Improvement

Meeting to be held on 17 January 2013

Electoral Division affected: All
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### European Social Fund: Project for Young People who are, or are at Risk of being, Not in Employment, Education or Training (NEET) 2011/2013 - Performance Update

(Appendices 'A' and 'B' refer)

Contact for further information:

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#### Executive Summary

This report responds to two key actions arising from previous reports overseen by the Cabinet Committee. These actions are:

1. Providing an update on performance of the European Social Fund Not in Employment, Education or Training Project 2011/13. This update covers the validated data period of 1 September 2011 to 20 November 2012.
2. Provide some example case studies (appendix B)

#### Recommendation

The Cabinet Committee on Performance Improvement is asked to:

- (i) Note and comment on the reported good progress and performance of the project;
- (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.

## 1. Background and Advice

In November 2010 Lancashire County Council facilitated a 'Partnership' responding to an invitation to tender by the <sup>1</sup>Skills Funding Agency and Education 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 was 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.

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<sup>1</sup> Lancashire County Council is under contract with the Skills Funding Agency who determines outcomes to be delivered.

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 of time (either six, twelve or eighteen weeks) and that each engagement activity should build upon each other rather than be 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 that support 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.

### 1.1. 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 Lancashire (12 districts), 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.

### 1.2. 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 who are NEET in Lancashire in September 2011 (the start of this ESF Programme) was 2,295 and in November 2012 (the reporting date of this report) it was 2,087. The 'Partnership' agreed to the funding methodology allocating resources at a 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, achievement of these deliverables draws 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.

### 1.3. Timeline of this project

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

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

\*A protracted procurement process managed by the Skills Funding Agency meant activity and the engagement of young people in Lancashire did not commence until September 2011. We have and continue to present a case to the Education Funding Agency and Skills Funding Agency for the lost time to be added to the end of the project giving the County Council the full three years to deliver the service aims as described in the invitation to tender. At present the project end date remains December 2013.

#### 1.4. 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 who reside in deprived areas where there are high levels of NEET.

## 2. Performance to date

2.1. 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 (see table 2.2 below): Further detail is provided in Appendix 'A': Appendix 'B' provides some example case studies to aid understanding activities undertaken.

## 2.2. Table of performance up to 20 Nov 2012

Outcome description	Total number of young people to be supported by Dec 2013	Number of outcomes achieved by LCC up to end 20 November 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	775	980	Ahead*
Number of young people in a Vulnerable Groups category (Young mum, young offender, Looked after child, Learners with learning difficulty/disability)	434	181	238	Ahead*
Number of young people to achieve an accredited qualification of at least 45 guided learning hours	1,058	333	287	Slightly behind*
Number of young people who have progressed into further learning, training or employment (All actuals to-date are progression into further learning/training)	808	255	281	Ahead*
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 on a regular basis		N/A
Service level agreement/contracts in place	-	All subcontractor contracts in place		As planned

\*please see supporting narrative below (2.3)

### Other performance/contextual information:

- Approximately 94% of young people engaged are on an accredited (qualification led) programme. The remainder are on a non-accredited (not qualification led) programme.
- Of leavers, 85% have completed and achieved all learning aims.
- Of leavers, 15% withdrawn early, reasons for this are varied such as returned into custody, behaviour, significant change in circumstances.
- Of leavers, 65% have progressed into further learning, training or employment.

- NEET figures for Lancashire:

Nov 10/11	3441 (6.5%)
Nov 11/12	2441 (6.0%)
Nov 12/13	2087 (5.3%)

### 2.3. 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, from vulnerable groups and progressing from NEET into further learning, training or employment and only slightly behind on the number of young people achieving a qualification.

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 this 6 weeks (this timeframe is prescribed by the Skills Funding Agency) after the young person is on the programme, some subcontractors were simply not capturing those from vulnerable groups through their data systems. LCC, via performance management reviews with subcontractors continue to raise this as an issue with subcontractors even though we are ahead of profile.

- 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 requires 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. Based on subcontractor feedback and performance reviews to-date we anticipate an overachievement with this outcome by December 2013.

- Progression into further learning, training or employment:

Comparatively, we are still in the early stages of delivery with many young people on the programme still being supported. The County Council is ahead of profile for the number of young people moving in positive progressions (currently 65% of leavers, the national trend tends to be 50% in ESF funded projects).

However, it should be noted 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.

### 2.4. 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 2011 although actual commencement was Sept 2011. We have and continue to lobby for the contract end date to be extended accordingly.

- Signed contract from SfA received **27 July 2011**. 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's performance to date is positive with the Council's trajectory likely to exceed the number of young people who are NEET engaged by this project than our target with the SFA (we have engaged 980 young people as at November 2012 against a contract figure of 1621 with another 12 months remaining).

Subcontractor infrastructure, strategies and processes are becoming stronger as is their capacity to identify and engage with this priority cohort. The number of young people starting the programme is above profile and there is a minimal difference between profile and actuals against other outcomes. Where differences are present analysis of risk is deemed low. The County Council has strategies in place with our subcontractors to tackle under-performance and incentivise over performance where required and will not become complacent in responding and supporting the needs of young people eligible for this project who are at risk or who are NEET.

The County Council is on profile to meet our contractual and moral obligations in this project.

### **3. Consultations**

N/A

### **4. Implications:**

N/A

### **5. 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. No challenges or issues have been raised since the project commenced.

Emerging national developments such as the Youth Contract pose a risk if this not delivered in an integrated or coherent way. Groundwork UK have been awarded this government contract that targets young people who are 16 or 17 years of age and are NEET with no GCSEs at C or above. The County Council is working with Groundwork UK to best align support services so that they are complementary.

Detailed contracting arrangements with all subcontractors include performance management reviews which assess whether subcontractors are acting upon key messages regarding performance and delivery. Performance Management Reviews of Subcontractors cover the elements listed below. This along with analysis of data/intelligence will inform wider planning which may result in a +/- variance to subcontractor volumes and additional engagement strategies, which may include bringing in additional providers where demand and expertise is required.

Performance Management Reviews:
Review of subcontractor delivery model
Review of funding, payment, volumes & deliverables
Individualised Learner Record/Beneficiary List returns
Audit of evidence supporting Individualised Learner Record /Beneficiary List returns
Reporting & evaluation activities

To-date we have:

- Terminated the post 16 element of a contract with one subcontractor and since procured the services of another subcontractor.
- Two subcontractors have been issued with a notice to improve with monthly dialogue on performance.
- Additional volumes have been awarded to three subcontractors,
- Varied volumes of three subcontractors to reflect current and pragmatic performance

## 6. 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.

Audit: This project was audited by the Provider Financial Assurance Team of the Skills Funding Agency in August 2012. The Chief Executive of the County Council received a final audit report on 6 Sept 2012. The report concluded the County Council has substantially met the contractual requirements attached to the payments and that we have used the money in a way that is consistent with the purposes for which it was intended.

## 7. 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
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	3 July 2012	Dave Gorman, Office of Chief Executive, (01772) 534261

Reason for inclusion in Part II, if appropriate

NA