

**Decision Maker:** EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Thursday 5 June 2014

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** BROMLEY YOUTH EMPLOYMENT PROJECT

**Contact Officer:** Paul King, Head of Bromley Youth Support Programme  
Tel: 020 8461 7572 E-mail: paul.king@bromley.gov.uk

**Chief Officer:** Executive Director of Education, Care & Health Services

**Ward:** (All Wards);

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1. Reason for report

At their meeting on 5<sup>th</sup> February 2014, the Executive and Resources Policy Development and Scrutiny Committee (E & R PDS Committee) considered a report (DRR14/015) providing an update on the performance of the contract with Bromley College of Further and Higher Education to deliver the Bromley Youth Employment Project. The report recommended:

- a) the termination of the contract with the college due to the college's under performance and inability to deliver the tendered number of outcomes
- b) the reallocation of the residual earmarked reserves to support the original objectives
- c) a Task and Finish Group, led by the Bromley Education Business Partnership (BEBP) and overseen by a Member Working Party to undertake an options appraisal to identify the best way to achieve those objectives, with a report being brought back to the E & R PDS Committee in June 2014.

These proposals were supported by the E & R PDS Committee and were subsequently approved by the Resources Portfolio Holder on 21 February 2014.

This report outlines the findings and draft recommendations arising from the Task and Finish Group's review of evidence gathered, taking into account the views of the Member Working Party. The report also outlines the Bromley Education Business Partnership proposed Delivery Model for the Bromley Youth Employment Project (Phase 2).

## **2. RECOMMENDATION(S)**

The Executive and Resources PDS Committee are asked to consider:

- a) the Task and Finish Group draft recommendations
- b) the Bromley Education Business Partnership proposed Delivery Model for the Bromley Youth Employment Project (Phase 2) and recommend approval of the proposed Delivery Model by the Resources Portfolio Holder.

The Resources Portfolio Holder is asked to:

- a) note the report and consider the recommendations from the E & R PDS Committee
- b) approve the Bromley Education Business Partnership proposed Delivery Model for the Bromley Youth Employment Project (Phase 2).

### Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Regeneration, Supporting Children and Young People, Vibrant Thriving Town Centres
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### Financial

1. Cost of proposal: £260K
  2. Ongoing costs: Non-Recurring Cost:
  3. Budget head/performance centre: Earmarked reserves for Member Priority Initiatives
  4. Total current budget for this head: £260K
  5. Source of funding: Earmarked reserves for Member Priority Initiatives
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### Staff

1. Number of staff (current and additional): Bromley Education Business Partnership (existing staff) and 2 Graduate Interns (additional employed on fixed term basis)
  2. If from existing staff resources, number of staff hours: 8.9FTE
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### Legal

1. Legal Requirement: None:
  2. Call-in: Applicable:
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 3000 employers, 900+ students, 100 unemployed young people in Bromley aged 17 -24 placed in to contracted employment
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: n/a

### 3. COMMENTARY

#### Background

On 26th March 2012, Council approved the setting aside of £2.26m in an earmarked reserve for Member Priority Initiatives. £500k was approved for a scheme to help tackle youth unemployment in the borough through supporting the creation of sustainable job opportunities.

At the meeting of the Executive & Resources PDS on 14th June 2012, the Resources Portfolio Holder approved proposals to procure an employment and skills service provider to deliver the youth employment project which would support unemployed 18-24 year old residents to access sustainable employment by creating apprenticeship and internship opportunities across a 3 year period (2013 – 2016).

On 31st January 2013, the Resources Portfolio Holder awarded the contract to deliver the project to Bromley College of Further and Higher Education for the sum of £500k which included the delivery of 132 internship and 66 apprenticeship opportunities intended to benefit a total of 198 young people in the borough.

After a delayed start, the College's delivery against their profile was disappointing for the first quarter with only 3 apprenticeships and 2 internships being created.

In the second quarter, the College recovered their performance in relation to apprenticeships, but failed to recover their performance for internships. The College subsequently disclosed that they did not think that they could recover their profile for the delivery of internships and recognised that they had over-estimated their ability to deliver this requirement of the contract therefore rendering them in breach of the contract.

On 5<sup>th</sup> February 2014, the Executive and Resources PDS Committee supported proposals to terminate the contract with the college for the delivery of the Bromley Youth Employment Project. The Executive and Resources PDS Committee also supported proposals to reallocate the earmarked reserve to continue to support the objectives of the project. The original project objectives were:

- to tackle youth unemployment locally through supporting the creation of sustainable job opportunities for young unemployed Bromley residents
- to provide support to local business seeking to employ young people to support private sector growth
- to reduce the number of young people claiming Job Seeker's Allowance in the borough

The committee also supported proposals to approve a Task and Finish Group, led by the Bromley Education Business Partnership and overseen by a Member Working Group to undertake an options appraisal, exploring alternative ways to deliver the objectives outlined above. The Task and Finish Group was also asked to:

- explore the barriers to employment amongst young people (receiving evidence on whether young people were genuinely helped by such schemes)
- identify how the Council could assist Looked After Children to find employment.

Based on the agreement of Members to honour payments for sustained outputs against those apprenticeships and internships that have already been created by the project and

those created during the three month notice period , the anticipated budget for a second phase of support is between £260K and £300K (depending on the number of apprenticeships/internships delivered and the number of sustained outputs achieved).

## **Task and Finish Group**

The Task and Finish Group Terms of Reference and Work Plan were approved by the Resources Portfolio Holder and the Chairman of the Executive and Resources PDS Committee in February 2014.

An evidence review was undertaken through a series of stake holder consultation meetings conducted between 10<sup>th</sup> March 2014 to 11<sup>th</sup> April 2014. The aim of this evidence review was to identify areas of need and highlight examples of good practice to inform the recommended options put forward for the delivery of Phase 2 of the Bromley Youth Employment Project.

Representatives from the following sectors/ groups were targeted:

- Business
- Employment and skills
- Education
- Commissioning
- Human Resources
- Young people

In addition a review and synthesis of key findings from recently published national reports was undertaken. Key reports include:

- 'The Richards Review of Apprenticeships' - Doug Richards (November 2012)
- 'The Apprenticeship Journey' - Federation of Small Businesses (November 2012)
- 'Going in the right direction?' - Ofsted (September 2013)
- 'Apprenticeship Employer Engagement Projects' - London Councils (March 2014)

Where appropriate, outcomes from other recent LBB stakeholder consultation activities were also utilised e.g. the Children Services Stakeholder Consultation conducted in March 2014

## **Member Working Party**

The Member Working Party included Cllr Eric Bosshard, Cllr Ellie Harmer, Cllr William Huntington-Thresher and Cllr Russell Mellor. The working party met twice. At the first meeting on 30 April 2014 Members considered and gave endorsement to the key findings from the review of evidence from stakeholders and the recommended options for Phase 2 of the project. At the second meeting on 14 May 2014 Members considered and gave endorsement to a proposed Delivery Model.

## **Key Findings of the Evidence Review**

1. Against the backdrop of a gradual recovery within the national economy there remains significant groups of young people in Bromley who are unemployed or run an increased risk of unemployment and would therefore benefit from initiatives that would boost their employability skills and increase the employment opportunities available.

2. Employers would benefit from one to one support to help them understand and engage with apprenticeships particularly given the forthcoming changes to apprenticeship funding.
3. Local authorities can play an effective role in generating apprenticeships and in providing pre-apprenticeship support packages, particularly with smaller employers.
4. Bromley Council can create employment opportunities for local young people both as an employer and by encouraging the creation of opportunities with partners and through procurement and the supply chain.
5. There is widespread concern that many young people do not have the right level of employability skills to make a successful transition into the workplace
6. There is a need to a) develop the employer links with schools to raise awareness about the range of employment opportunities (including apprenticeships) and b) raise awareness of the National Careers Service among young people.
7. Work experience can play a helpful role in improving young people's employability. There is scope to a) develop the LBB work experience offer to include a focus on placements for LBB looked after children/care leavers b) develop work experience opportunities within the voluntary and community sectors.

## **Recommendations for Phase 2 of the Bromley Youth Employment Project**

In order to increase the number of young people successfully accessing local employment opportunities and taking account of the findings identified in Section 2 the Task Group recommend the following :

### **1) Target the following priority client groups:**

- School/College students in Academic Yr 12 (16 -17yr olds) on one year courses and Academic Yr 13 ( 17 -18 Yr olds) not going on to HE
- Young people in Academic Yr 13 (17 -18 yr olds) and Yr 14 (18 -19 yr olds) who are in LBB Not in Education Employment and Training (NEET) and Not Known categories
- Bromley 18 -24 yr old JSA Claimants (close to the labour market but needing additional support with employability skills)
- LBB Looked after children (LAC)/Care Leavers aged 15 -24yrs

**(This recommendation relates to Key Finding 1)**

### **2) Increase the supply of local employment opportunities for young people by:**

**a) implementing a borough wide Employer Engagement Programme** ( based on a successful London Councils project piloted across 6 boroughs) to raise awareness and to stimulate the creation of apprenticeships, internships and work experience opportunities for 17 -24yr olds in Bromley.

**(This recommendation relates to Key Findings 2 & 3)**

**b) creating a LBB graduate internship opportunity to develop an LBB strategy to increase the offer of work experience placements, traineeships and**

**apprenticeship** across LBB departments and partners and also through procurement and the supply chain. It is proposed that recruitment to these opportunities will include the targeting of Bromley LAC and Care Leavers.

**(This recommendation relates to Key Findings 4 & 7)**

**c) working with Community Links to create a Community/Voluntary Sector based graduate internship** to stimulate the creation of apprenticeships, internships and work experience opportunities within the Community and Voluntary sector. (This has the added benefit of developing capacity within the Community and Voluntary sector in Bromley)

**(This recommendation relates to Key Finding 7)**

**3) Increase the work readiness of young people and raise their awareness of apprenticeships by:**

- **Delivering a borough wide 17+ Employability Support Programme** - targeting young people in the priority client groups identified above (to include enhanced tracking activities to reduce the number of young people 17+ whose activity is not known)

**(This recommendation relates to Key Findings 5 & 6)**

**Appendix 1:** the detailed Task and Finish Group report presenting the key findings from the review of stakeholder evidence and the recommendations for Phase 2 of the project.

### **Proposed Delivery Model for Phase 2 of the Bromley Youth Employment Project**

Delivery of the above recommended activities could be achieved in a number of ways. One option could be to conduct a procurement exercise and contract out some or all of the activities recommended above. However this would incur the administrative resource costs associated with a tendering process and delay implementation by up to 9 months.

Alternatively, better value could be achieved through internally commissioning the Bromley Education Business Partnership (BEBP) to deliver the recommended activities through a scaling up of activities they presently undertake. The Bromley Education Business Partnership (BEBP) is part of the LBB Youth Support Programme. The BEBP delivers a wide range of innovative work related learning activities in schools and colleges in partnership with the community and with local/national business to help prepare young people for the world of work. The service has a data base of over 10,000 employers and employs a staff team (including Business Link Co-ordinators) who have relevant experience of employer engagement activities. The service has organised large scale employer events and has already been involved in promoting apprenticeships and in delivering pre apprenticeship support programmes aimed at 16 -18yr olds.

In 2013/14 the service received LBB core funding of £64K with the remaining income of £307K generated through sold services. The service has predominantly focused on employability support programmes aimed at 15 to 18 year olds. However, with additional funding the service could extend its current reach and deliver a) employability support programmes for 17 – 24 year olds and b) an enhanced employer engagement programme.

This approach avoids the costs associated with procurement and with the building up of a new delivery infrastructure and is the approach endorsed by the Member Working Party.

**Appendix 2:** the Bromley Education Business Partnership proposed Delivery Model for the Bromley Youth Employment Project (Phase 2).

#### **4. POLICY IMPLICATIONS**

The project supports the Council's Building a Better Bromley priorities for 2014/15 linked to Regeneration, Supporting Children and Young People and Vibrant Thriving Town Centres.

#### **5. FINANCIAL IMPLICATIONS**

On 26th March 2012 Council approved the setting aside of £2.26m in an earmarked reserve for Member Priority Initiatives. A sum of £500k was approved for a scheme to help tackle youth unemployment in the borough. Following a procurement process, in January 2013 Bromley College of Further and Higher Education were awarded a contract to deliver 198 apprenticeship and internship opportunities for young unemployed residents after demonstrating best value for money.

The contract specification included a payment mechanism whereby funds will only be released when evidence is provided to substantiate that specific outcomes have been achieved/delivered at the various stages of the project. The college was unable to deliver the tendered number of outcomes. On 5<sup>th</sup> February 2014 the Executive and Resources PDS Committee supported proposals to terminate the contract with the college for the delivery of the Bromley Youth Employment Project and to reallocate the earmarked reserve to continue to support the objectives of the project. These proposals were subsequently approved by the Resources Portfolio Holder on 21 February 2014.

Based on the agreement of Members to honour payments for sustained outputs against those apprenticeships and internships that had already been created by the project and those created during a three month notice period, the budget for the second phase of support is anticipated to be between £260K and £300K (depending on the number of apprenticeships/internships delivered and the number of sustained outputs achieved by the end of the contract's termination period).

The proposed Delivery Plan (Appendix 2) will be delivered a) through the existing staff resource within the BEBP and b) will entail the recruitment of 2 Graduate Interns. The Graduate Intern salary is paid as a spot salary of £17,049 plus on-costs of 22% if they join the pension scheme or 9% if they opt out. The salary plus on-costs for the 2 Interns are included in the total project cost of £260K.

A breakdown of the activity and the cost to Bromley Education Business Partnership is shown in Appendix 2

#### **6. LEGAL IMPLICATIONS**

At their meeting on 5<sup>th</sup> February 2014, the Executive and Resources Policy Development and Scrutiny Committee supported proposals, approved on 21 February 2014, for the termination of the contract with Bromley College for delivery of the Bromley Youth Employment Project by providing three months' notice.



Following discussions between both parties a mutual agreement was reached to terminate the contract. Clause 21 of the contract Agreement permitted LBB to terminate the agreement by giving three months written notice. This notice was deemed served on 28<sup>th</sup> February 2014 therefore the Agreement will terminate on 31<sup>st</sup> May 2014.

## 7. PERSONNEL IMPLICATIONS

The proposed Delivery Plan ( Appendix 2) for the project will be delivered through a) existing staff resources within the BEBP and b) will also entail the recruitment of 2 Graduate Interns.

The Council currently provides internships for up to 4 graduates per year. The salary plus on-costs (see Section 5 above) for the 2 Interns within the proposed Delivery Plan are included in the total project cost of £260K.

<b>Non-Applicable Sections:</b>	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	<p>DRR14/015 Bromley Youth Employment Project: : Performance Update for Quarter 2</p> <p>DRR13/133 Bromley Youth Employment Project – Update (November 2013)</p> <p>Bromley Youth Employment Project – Award of Contract (31st January 2013)</p> <p>Bromley Youth Employment Project – Renewal &amp; Recreation PDS on 10th July 2012, Executive &amp; Resources PDS on 14th June 2012</p> <p>Full Council meeting held on 26th March 2012</p>