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Report of: Jayne Ludlam, Executive Director - People
Report to: Cabinet
Date of Decision: 23 May 2018
Subject: Project Apollo – Supporting NEET Care Leavers (Contract Award)

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input checked="" type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? People Portfolio				
Which Scrutiny and Policy Development Committee does this relate to? Children, Young People and Family Support Scrutiny and Policy Development Committee				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 280				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

Purpose of Report:

This report is seeking approval to accept and spend up to £1,083,550 of funding from the Children’s Social Innovation Programme launched by the Department for Education (DfE) in 2014, which will provide a programme of support targeting Care Leavers NEET.

Recommendations:

Cabinet is recommended to:

- Approve acceptance of the DfE's grant offer of up to £1,083,550, to deliver the service initiative detailed herein.
- Approve the direct award of a contract to a company (a special purpose vehicle or SPV) established by Sheffield Futures with a potential value of £1,083,550 in outcomes payments in order to deliver the project.
- Delegate authority, to the extent not already delegated by the Leader's Scheme of Delegations, to the Director of Finance and Commercial Services in consultation with the Director of Legal and Governance and the Executive Director - People to agree the terms of the contract.
- Delegate authority, to the extent not already delegated by the Leader's Scheme of Delegations, to the Executive Director – People to take such other steps deemed necessary to deliver the outcomes set out in this Report.

Background Papers:

- Full proposal form Sheffield Care Leavers SIB final

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Andy Bray</i>
		Legal: <i>Nadine Wynter</i>
		Equalities: <i>Bashir Khan</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	<i>Jayne Ludlam</i>
3	Cabinet Member consulted:	<i>Cllr Drayton</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Paul Dempsey</i>	Job Title: Assistant Director Provider Services
	Date: 15.5.18	

1. PROPOSAL

1.1 Background and Context

- 1.1.1 Sheffield is ambitious for our Young People leaving care and Care Leavers. The programme outlined herein is to be delivered in addition to all of the current services care leavers receive and is intended to complement our existing offer. We are aspiring to deliver outstanding services and significantly improved outcomes for care leavers and we have invested in expanding the care leavers' service to achieve this. The programme detailed here requires no funding from the Council as it will be fully paid for via the SIB grant. This is therefore an additional complimentary service at no extra cost.
- 1.1.2 Under The Care Leavers (England) Regulations 2010 Local Authorities have a duty to support care leavers into education, training or employment. Local Authorities also have a statutory duty to Raise Participation under sections 18 and 68(4) of the Education and Skills Act 2008 (ESA 2008) in relation to sections 10, 12 and 68 of that Act
- 1.1.3 The 2016 local annual return showed that 29.8% of the 17-21 year old cohort was not in education, employment or training (NEET) – putting Sheffield at 108/150 local authorities, 3/8 of the Core Cities; and 8/11 of statistical neighbours. This continues to be a challenge. A National Audit Office report 2015 identified 41% of 19-year-old care leavers were not in education employment or training. In Sheffield 49.5% of care leavers aged 18-21 that are NEET, 21% of whom are actively engaged or available to engage in education, employment or training.
- 1.1.4 The Local Authority has a duty of care to care leavers and supporting them into employment, education and training is a key corporate parenting responsibility of the council and its partner agencies.
- 1.1.5 Children and Families service applied to the Children's Social Innovation Programme launched by the Department for Education (DfE) in 2014 which supports innovative ideas and enables policy and practice to be driven by evidence and best practice. There was the opportunity to make a targeted bid for funding to improve outcomes for Care Leavers.
- 1.1.6 The original bid was on the basis of receiving a grant award, however during the process the DfE has change their approach now favouring a Social Impact Bond Model delivering a non-ring fenced grant. The report seeks approval to accept an award to the value £886k - £1.08 million from the Department for Education (DfE), to fund an initiative aimed at supporting more of our care leavers into education, employment and training.

1.2 Proposal Overview

1.2.1 Sheffield City Council recognises the need to improve the engagement of our care leavers with education, employment and training in the city and took the opportunity, working with partners to apply to *The Children's Social Care Innovation Programme*, launched by the Department for Education (DfE), for funding to test a new way of working to improve outcomes for this cohort of young people. The Innovation Programme aims to: -

- Improve life chances of children receiving help from the social care system.
- Create stronger incentives and mechanisms for innovation, experimentation and replication of successful new approaches.
- Drive better value for money across children's social care.

1.2.2 The proposal aims to address the problem of care leavers not in education, employment or training in Sheffield to support improved engagement outcomes. Acceptance of the funding will allow Sheffield to address this imbalance for care leavers and provide the opportunity for this cohort to engage in a tailored programme of support that will be embedded in the care leavers' service.

1.2.3 The programme will work in partnership with young people empowering them to fulfil their potential and take control of their future working to achieve agreed outcomes. We will offer the cohort opportunities to take part in interventions that will provide them with the skills and resilience to be ready to tackle their journey into education, employment or training.

1.2.4 Young people will be supported to create a plan for them to make sure they are prepared for college or work. Through this project identified care leavers will work with a 'coach' to create a tailored intervention programme for them. The project has three key parts: an assessment of young person's strengths and weaknesses, work experience and training, and work with the Chamber of Commerce to provide in work support and training.

1.2.5 The proposal is to develop an intensive, tailored intervention for care leavers who are, or are at risk of becoming NEET, that will provide individual plans setting out personal and career goals and milestones, ensuring sustainable engagement in ETT.

1.2.6 Sheffield is one of three local authorities that were successful in bidding for the programme and Sheffield has been awarded £1,083,550. The funding will be delivered via a Social Impact Bond (SIB). Social Impact Bonds are payment by results contracts and are based on achieving pre-defined and measurable social outcomes funded by investors who want a

social and financial return. In this case it is proposed that the contract is between the Council and a company (a special purpose vehicle or SPV) established by Sheffield Futures. We have a rate card for the outcomes the programme needs to achieve.

- 1.2.7 Programme delivery will take place over 3 years. The original scheduled programme duration was April 2018 to March 2021. However, delay from the DfE in releasing funding means we are looking at a July 2018 start date with the end date rolling over to end of June 2021. We anticipate obtaining outcomes in quarter 2 and Quarter 3 of year 4, so in total we envisage the programme to be 3 and half years long. A project manager employed by the provider will remain in post until September 2021 to oversee the process of claiming for outstanding outcomes, closure of the special purpose vehicle and to ensure all monitoring requirements are completed.
- 1.2.8 The programme will be working with 100 care leavers aged between 16 and 21 who are NEET, at risk of becoming NEET and those who are termed 'unavailable'.
- 1.2.9 Governance will be through an investor board to monitor performance, progress and outcomes there will also be links to the Care Leavers' Steering Group, the Corporate Parenting Board, and the Improvement Board. The SIB arrangement ensures that the financial risk lies with the Social Investors into the programme.
- 1.2.10 The programme and the funding will run for three years. Thereafter we will look to sustain improvements made in service delivery and improved outcomes through transferring the learning from the programme and implementing the successful elements of the model into our mainstream care leaver service.

1.3 What will be new?

- 1.3.1 The award will be used to recruit 'Transition Coaches' (who will be employed by the SPV), a role that will complement that of Personal Advisors, but be purely focussed on intensive support for young people into EET. Currently Personal Advisors due to the nature and breadth of their role rely on sign-posting and facilitating them into the existing wider EET support offer.
- 1.3.2 Transition Coaches will:
- be embedded in the Care Leaver Service
 - provide specialist input into Pathway Plans in relation to career planning
 - deliver a tailored EET support package which prepares care leavers for the world of work and provide in-work support for care leaver and employers (through third party partners identified as Dame Kelly Holmes Trust & Princes Trust)
 - up-skill Personal Advisors towards a broader understanding of education and employment pathways;

- be trained to screen for Speech Language and Communication Needs and refer to specialist services where required
- In addition; a Care Leaver Advisor will be recruited as a core part of the delivery team, they will be an experienced care leaver within the targeted age bracket, and act as peer mentor, influence the programme development and engage the Sheffield Care Leavers Union to ensure the programme is meeting the needs of the cohort.

1.3.3 The use of speech, language and communication needs screening alongside the expertise of the transition coaches to particularly focus on EET outcomes is an innovative intervention that has not been attempted before. As part of the screening process each young person will go through a speech, language and communication needs assessment, and be referred to a speech & language therapist if required. The transitions coach will be trained to screen and refer to specialist services.

1.3.4 An employer engagement officer (employed by the SPV) will provide support, training and creation of opportunities within the first year in anticipation of the cohort preparing to make the transition. They will work closely with the Chamber of Commerce and other employers to understand workforce needs; and to input into the programme. In-work support and training will be provided to supportive employers

2 How does the decision contribute?

2.1 The acceptance of up to £1,083,550 grant funding will allow delivery of an intensive, tailored intervention programme to support care leavers to engage in education, employment or training to NEET.

2.2 The service will build on learning from employability programmes with vulnerable young people. Participants will be allocated a Transitions Coach who will be co-located and embedded into the local care leaver service - complementing existing support - with care leavers having a strong role in programme development, delivery, and governance. The three delivery elements will be:

- **Education & Employment Readiness**
- **Employability**
- **Sustaining Employment**

2.3 The focus of the project delivery has clear links to the corporate priorities Strong Economy and Tackling Inequalities.

2.4 Strong Economy

2.4.1 The programme is focussed on improving the employability of care leavers and ensuring that they are equipped for work. Improving their educational outcomes and employment skills will ensure this cohort of young people are better placed to gain employment and contribute to Sheffield's economy.

- 2.4.2 The estimations of the economic costs to individuals that are NEET - largely due to decreased earnings over the life-course - are in the region of £50,000 when compared to other non-university graduates who were not NEET, and a lifetime difference of approximately £225,000 when compared to a university graduate (Godfrey et al, 2002; Coles et al, 2010; Impetus PEF, 2014).
- 2.4.3 Estimating the financial cost to society starts with three main elements: benefits; tax loss (both loss of direct and indirect taxes); and national insurance. The loss to the economy, welfare loss to the individual and the family, as well as the impact in terms of the resources or opportunity cost to the rest of society. Some of these costs are incurred because of unemployment and the impact this has on the individual and the family, as well as productivity loss to the economy. According to the National Audit Office, the lifetime cost of the current cohort of 19-year-old care leavers being NEET would be around £240 million or £150 million more than if they had the same NEET rate as other 19-year-olds.

2.5 Tackling Inequalities

- 2.5.1 As detailed above care leavers are less likely to be in employment, the focus of this program seeks to address this imbalance and provide equality of opportunity in gaining skills, qualifications and employment.
- 2.5.2 Lack of engagement in employment leads to further isolation for this cohort of young people. A 2013 survey cited 39% of young people had experienced stress and anxiety as a result of unemployment, with 33% suffering from depression. While 54% of young people felt their 'potential is being thrown away or wasted' and 36% who claimed they have 'no chance of ever getting a job'. Tackling this problem should lead to young people less isolated and more engaged in society.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Sheffield Care Leavers Union was consulted during the drafting of the bid.
- 3.2 Their feedback included being unclear on the opportunities available to them accessing Education, Employment and Training. The group liked the idea of a specialist 'coach' and chose the name 'Transition Coach' as they felt this was a clearly defined role to support their transition in to EET and separated the worker from their existing PA.
- 3.3 Although there are adult training and employment opportunities available through providers such as Job Centre Plus, care leavers don't currently have impartial experts to guide and support them to their most suitable options, and opportunities are restrictive due to inflexibility on times and locations, which doesn't always support the needs of this cohort. The group feel that some opportunities aren't accessible as they don't have the financial stability to manage irregular payments or low payments due

to the effect on their benefits.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 Decisions need to take into account the requirements of the Public Sector Equality Duty contained in Section 149 (1) of the Equality Act 2010. As part of documenting the meeting of the requirements of the duty, we have carried out an Equality Impact Assessment. Section 149 (1) identifies the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it

4.1.2 The Equality Act 2010 Section 149 (7) identifies the following groups as a protected characteristic:

- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation

4.1.3 An EIA has been completed and highlights positive impacts on Poverty and Financial Inclusion as the project aims to deliver improved outcomes for care leavers by equipping them with the skills to be more employable; This also gives a positive impact on health and highlights that care leavers who are engaged in education and employment are less likely to suffer with mental health problems. The programme of delivery is focussed on young people aged 16 -21 as the primary care leaver cohort and it will have a positive impact on age.

4.2 Financial and Commercial Implications

4.2.1 Key features of the DfE non ring-fenced grant offer of up to £1,083,550 for Sheffield Social Impact Bond for Care Leavers are summarised as follows:

- The grant offer covers and will be paid over the period 2018/19 to 2021/22
- The grant is for improving sustainable education and employment outcomes for care leavers who are NEET (not engaged in education, training or employment) and work with 100 care leavers aged between 16 and 21, who are NEET - The DfE will issue a Memorandum of Understanding (MOU) to SCC to formalise the working relationship and expectations for the grant based on SCC's proposal submissions. To date the MOU has not been received and approval to accept this grant funding will depend on the DfE's MOU being satisfactory to SCC.
- The MOU is not intended to be legally binding and no legal obligations or legal rights will arise between the Parties.
- It is the intention of Sheffield City Council (SCC) to pay the grant funding to the SPV established by Sheffield Futures, which will be responsible for delivering the project. An agreement between SCC and the company established by Sheffield Futures will be needed that reflects the DfE requirements in the grant MOU.

4.2.2 All public sector procurement is governed by both European Legislation and UK National Law. In addition, all procurement in Sheffield City Council must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).

4.2.3 Contracts Standing Orders requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase/acquire services, goods or works must go via a competitive process.

4.2.4 The contract for delivery of the outcomes set out in this Report will be directly awarded to the SPV established by Sheffield Futures to undertake the contract. A waiver of Contract Standing Orders will be required to facilitate this direct award.

4.3 **Legal Implications**

4.3.1 The Council has a duty under the Education and Skills Act 2008 to make available to young persons and relevant young adults for whom it is responsible such services as it considers appropriate to encourage, enable or assist the effective participation of those persons in education or training.

4.3.2 Under The Care Leavers (England) Regulations 2010 Local Authorities have a duty to support care leavers into education, training or employment. Local Authorities also have a statutory duty to Raise Participation under sections 18 and 68(4) of the Education and Skills Act 2008 (ESA 2008) in relation to sections 10, 12 and 68 of that Act.

4.3.3 The Department for Education statutory guidance 'Participation of young people in education, employment or training ' makes it clear that the

government's approach is to give local authorities freedom and flexibility to decide how to fulfil their statutory duties with regards to the provision of these services. Local authorities are expected to meet any costs incurred in the delivery of these duties from their overall budgets, including central government grants. Acceptance of the Social Impact Bond grant will enable the Council to fulfil its statutory duties.

- 4.3.4 The Public Contracts Regulations 2015 allow for the direct award of a contract where there are certain mitigating circumstances which mean contract award via open competition is not achievable – Regulation 32 allows for use of the negotiated procedure without notice. Specifically, Regulation 32 2.b.iii states that where a service 'can be supplied only by a particular economic operator for the protection of exclusive rights, including intellectual property rights' then a contracting authority may directly award a contract. A Voluntary Ex Ante Transparency (VEAT) Notice will also be published in the Official Journal of the European Union (OJEU) giving notice of the intention to award a contract.

4.4 **Other Implications**

- 4.4.1 There are no Human Resources implications for the Council. Additional staff resource deployed on the programme will be employed by the company established by Sheffield Futures.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 There was an option not to seek funding to engage in the programme. The decision to opt into the programme is based on an assessment that the additional resources provided and the innovative practice involved will deliver improved outcomes over and above what would have been achieved if not engaged in the programme.
- 5.2 The initial innovation fund call for proposals instigated by DfE was open for any interested party to apply and submit an expression of interest to DfE. Sheffield Futures did express an interest and developed proposed solutions to the identified needs of the care leavers cohort and in securing investors into the project. In doing so they have developed a service offer unique to them. In the circumstances an alternative procurement route was not considered appropriate or practical.

6. **REASONS FOR RECOMMENDATIONS**

- 6.1 The Council has been successful in its bid for Innovation Funding and without this opportunity would not have the budget to deliver the proposed program.
- 6.2 Acceptance and expenditure of the funding for the purposes set out in this Report will achieve the following outcomes:

6.2.1 Non- Financial Outcomes

Achieving improved educational outcomes and stability in employment will enable care leavers to participate in and make a contribution to society, improve their financial outlook and enhance their health and wellbeing prospects. In order to measure success we are baselining the cohort and will monitor impact throughout the life cycle and on completion as follows:-

- Increasing suitable & sustainable accommodation (Measure: tenancy breakdowns, numbers in adequate/acceptable accommodation, numbers presenting as homeless);
- Improving access to training, education & employment (Measures: EET - qualifications achieved, progression to further and higher education, entry and sustainment into employment);
- Increased financial stability (Measure: not in debt; reduction in emergency payments);
- Improved mental health & well-being (Measure: access to specialist support e.g. substance misuse; reduction in risk-taking behaviour e.g. CSE, criminality, sexual health; use of SDQ/Youth Star – improved results);
- Improved resilience & confidence (Measure: Youth Star – improved results);
- Raised care leaver aspirations (Measure: self-reporting).

6.2.2 Financial Outcomes

6.2.2.1 According to the National Audit Office, the lifetime cost of the current cohort of 19-year-old care leavers being NEET would be around £240 million or £150 million more than if they had the same NEET rate as other 19-year-olds.

6.2.2.2 In order to measure financial benefits we will review our current and previous cohorts of care leavers to compare their outcomes. Utilising the New Economy Unit Cost Database we will calculate savings using the following indicators: -

- Job Seeker's Allowance
- Not in Employment Education or Training (NEET)
- NVQ Level 2 Qualification
- City & Guilds Level 2 Qualification
- BTEC Level 2 Qualification
- Apprenticeship Level 2 Qualification
- NVQ Level 3 Qualification
- City & Guilds Level 3 Qualification
- BTEC Level 3 Qualification

- Apprenticeship Level 3 Qualification
- Graduate Level 4+ Qualification

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