

Outline Business Case

Strand title	Skills for the Future (14-25)
Sponsor(s)	Garath Symonds, Assistant Director for Young People
Lead	Frank Offer, Head of Commissioning for Young People
Project team members	Marcus Robinson, Kevin Lloyd, Emily Kavanagh, Anthony Durno, Rachel Ford, Beverley Johnston
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1. Aims and objectives	
<p>Our proposition is to ensure that every young person educated in Surrey has the employability skills needed for their future. We want young people to have the confidence and ability to meet their potential, secure employment and grow the Surrey economy. This will yield tangible financial and social benefits for Surrey.</p> <p>This will be achieved through investment in young people’s employability skills and transforming professional and technical, education and training pathways for young people in Surrey aged 14 to 25 years. We want to strengthen the county’s position as a leading economic region and to grow the Surrey economy at a faster rate than comparable global regions. We will deliver a more efficient skills system, improving the match between skills required by business with those of young people aged 14 to 25, set out in a ‘Surrey Employability Curriculum’. We will provide pathways for young people into sustainable rewarding employment, whilst ensuring Surrey businesses benefit from a pool of young talent with the skills employers demand.</p> <p>Key objectives of the new model are:</p> <ul style="list-style-type: none"> ○ ‘Surrey Employability Mindset’ - Young people able to make informed choices by integrating, reforming and localising information, advice and guidance (IAG) from age 13 to 25. ○ ‘Surrey Skills Pathways for Employability’ - An all ability education pathway from Year 10 to Year 20 focused on an employability curriculum. ○ ‘Surrey Young Adult Employment Support’ - Secure employment for young people through working with employers and integrated support for unemployed young people, providing pathways to develop adaptive employability skills for the 21st century job market. 	

2. Case for change

- Education should inspire young people. New personalised pathways should raise the aspirations and potential of individual young people.
- Young people are struggling to find employment as they leave education without the skills employers demand. Employers report dissatisfaction with the readiness of school and college leavers in key employability skills and in literacy, numeracy and computing. The attitudes, behaviour and emotional literacy of young people are also criticized. For the 21st century job market young people will need to be more adaptable than ever, with skills that will serve them across numerous careers.
- To maintain its position as a leading economy (largest contributor to the exchequer other than Greater London) Surrey needs young people with the right skills. A labour skills gap is growing and was highlighted in recent research with employers by both Enterprise M3 and Coast to Capital Local Enterprise Partnerships (LEPs).
- The information, advice and guidance that young people are receiving has been widely criticised nationally as being unsuitable and insufficient. Young people in Surrey need access to impartial, high quality information, advice and guidance. This should be well informed by employers' needs and promote a wide range of education and training opportunities, including technical and professional qualifications from age 14. This need was highlighted in focus group research conducted by Surrey County Council.
- Some of our most vulnerable students are being let down by the current system. A large number of professional and technical qualifications are not given equal status leading to many schools narrowing their curriculum. Also colleges are put at a disadvantage if they recruit young people who are at risk of not completing a course. This is at a time of increasingly more complex special education needs including Autism and Behavioural, Emotional and Social Difficulties (BESD).
- With the Raising of the Participation Age placing a duty on all young people to participate in education or training until their 18th birthday we need to create a flexible and personalised curriculum that meets the needs of all learners.
- A large number of programmes to support young people into work either overlap or are failing, creating inefficiency and complexity. The Confederation of Business Industry (CBI) identified 47 initiatives to support employers hiring and training young people.
- Many post-16 options are considered more complex and less intuitive than staying in school to do A-Levels. A 14-19 system of education would better support transition and provide more structured pathways for young people.

3. Proposed new delivery models

The new model sets out to raise the employability skills of young people. It will support economic growth by providing skills to the workforce, promoting employment opportunities for young people and transforming the public sector's roles in working with young people and employers.

It will create a seamless and dynamic education system for young people from Year 10. This will be supported by high quality impartial advice provided from Year 8, including work experience. Professional and technical qualifications will be seen as an equally valuable route for learners for whom it is most suited and pathways will develop employability skills.

The heart of the new model is the '**Surrey Employability Curriculum**', which sets out the attitudes, behaviours and skills that Surrey employers now require in young people for the future growth of the Surrey economy. The model will be co-designed with employers, educators and young people and promote a joined up working and a whole system leadership approach. It will drive change from all organisations and young people to enhance young people's employability and entrepreneurial skills. Schools will become more engaged with employers with the Surrey Employability Curriculum owned and disseminated by the Surrey Employment and Skills Board, which comprises leading employers and representative organisations with links to both major employers and SMEs in Surrey.

The model has three key components as set out below:

1. '**Surrey Employability Mindset**' –Information, Advice and Guidance (IAG) implemented through a Quality Framework that ensures a comprehensive, impartial approach to IAG. This will involve a universal offer for every young person aged 13 to 18 and targeted 1 to 1 support for young people not in education, employment or training (NEET) aged 16 to 24. The framework will require that young people be made aware of the options appropriate to them and given the information required to be able to make well informed decisions. Delivery will include 1 to 1 support, structured transition planning, work experience for young people and teachers to build awareness of the requirements of employers, opportunity fairs to promote education, training and employment pathways, use of social media and local networks with employers to promote young people's aspirations through programmes such as mentoring and pathway tasters.
2. '**Surrey Skills Pathways for Employability**' – local blended pathways from Year 10 across schools, colleges, further education, higher education, training providers and employers. Content will be aligned to the needs of employers with English, Maths and computing skills a core part of the pathways across the age range. Pathways will lead to developing employability skills, such as team working and communication.

<p>These pathways are co-designed locally to provide flexible seamless routes from Year 10 to Year 14, with integrated academic, professional and technical pathways to work across Years 15 to 20 for young people who are NEET with local employment opportunities developed with employers including apprenticeships and young apprenticeship opportunities.</p> <p>3. ‘Surrey Young Adult Employment Support’ – local targeted 1:1 support for young people aged 19 to 24, aligning the work of the Youth Support Service and Job Centre Plus to provide pathways to employment. The service provides holistic support for young people’s needs, drawing together integrated packages that address needs and develop confidence, self esteem and employability skills.</p>	
Presenting issues	Public Agency Stakeholders
Employers require young people with skills in priority areas and general employability skills such as communications and teamwork.	Enterprise M3 and Coast to Capital Local Enterprise Partnerships, Surrey County Council, District and Borough Councils, Surrey Connects, Schools, Colleges, Training Providers, Job Centre Plus, Department for Education, Department for Work and Pensions, Department for Business, Innovation and Skills.
Young people require information, advice and guidance from age 13, informed by the needs of employers, trends in the economy and the local job market.	Enterprise M3 and Coast to Capital Local Enterprise Partnerships, County Council Services for Young People and Schools & Learning, District and Borough Councils, Surrey Connects, Schools, Colleges, Training Providers, Job Centre Plus, National Careers Service, Department for Education, Department for Work and Pensions, Department for Business, Innovation and Skills.
Young people require a wide range of locally available academic, technical and professional courses that are co-produced with employers, which prepare them for opportunities in employment and transferable skills for future employment opportunities.	Enterprise M3 and Coast to Capital Local Enterprise Partnerships, County Council Services for Young People and Schools & Learning, District and Borough Councils, Surrey Connects, Schools, Colleges, Training Providers, Job Centre Plus, National Careers Service, Department for Education, Department for Work and Pensions, Department for Business, Innovation and Skills.
Young people need a simple and coherent programme of support for education, training and employment	Enterprise M3 and Coast to Capital Local Enterprise Partnerships, County Council Services for Young People and Schools & Learning, District and Borough Councils, Surrey Connects, Schools, Colleges, Training

Providers, Job Centre Plus, National Careers Service, Department for Education, Department for Work and Pensions, Department for Business, Innovation and Skills.

4. Changes required

Skills for the Future will require changes in mindset to achieve the drive and flexibility to succeed for young people. This will require a shift from the status quo including:

- Focussing on long term success by investing more in young people early.
- Putting young people first and creating a system that allows us to do what is best for them rather than being encouraged to do what is just best for individual institutions.
- Changing the relationship between employers and education. Have education always focused on helping young people succeed in life by leveraging the information, tools, and resources that employers can provide.
- Accepting a many pathway blended model of education from age 14+ that personalises learning and has funding follow the learner.
- Focusing on the holistic development of young people, looking at their behaviours, attitudes and emotional literacy as well as just their academic ability.

This will require:

Leadership and Partnership – to place the needs of employers and the economy as a key driver for future education and training opportunities in Surrey, with employers co-producing future opportunities with schools, colleges and training providers across the age range 14 to 25.

Education and training opportunities – schools, colleges and training providers to co-produce locally accessible academic, technical and professional opportunities to acquire qualifications and skills that provide pathways to employment.

System change in information, advice and guidance – to offer locally relevant employer informed information, advice and guidance from age 13, across the range of opportunities available.

System change in commissioning – to develop commissioning at the most local level, with funding transparently following the learner’s choice – including programmes currently nationally commissioned.

Government change – success is dependent on Government support to deliver the locally responsive system. Requests to Government will include:

- Transfer savings of reduced welfare claims to early preventative work, local 1:1 support and programmes for education, training and employment.

- Support in developing Surrey Local Opportunities 14-25, where greater freedoms or flexibilities are required to offer the provision that enables young people to develop the skills required by employers, particularly for a greater range of technical and professional provision for young people aged 14 to 16.
- Support in developing simple coherent local information, advice and guidance for young people drawing together local resources with national resources such as the National Careers Service.
- Broaden the education and training offer to young people 14 to 16.
- Support in freedoms and flexibilities on funding to enable a transparent and equitable approach to funding following the learner.

5. Financial case

The cost benefit approach, used to support the Skills for the Future business case, was developed for the Greater Manchester Community Budget, with input, guidance and agreement from a cross departmental Technical Advisory Group including HM Treasury, DWP, BIS, DfE and others). It looks at:

- Monetised benefits from the project outcomes
- Consideration of deadweight (those who would have achieved the outcomes without additional intervention)

Estimated cashable savings to the public sector from Skills for the Future will reach £16.3M per annum at a cost of approximately £9.7M per annum. It will also contribute over £900K to offsetting an expected rise in the cost of SEND provision. Calculations of both the savings and the costs take into account an optimism bias of up to 40%.

The largest impact will be in a reduction of young people claiming benefits; an expected reduction of JSA and ESA claimants of about 1/3 will bring over £11.2M in cashable savings. The remaining cashable savings will come as a result of increased tax revenue from increased earnings and the impact Skills for the Future will have on the number of young people who become NEET.

The project will also bring non-cashable economic benefits worth £11.6M to the economy as well as significant social benefits.

Resources Required

To achieve these savings there needs to be public sector investment of approximately £9.7M per annum and £280,000 of one off initial development costs.

The largest cost will be providing enhanced welfare to work support to young adults aged 18-24. For many claimants, in particular those who have been claiming for a short time, better IAG will provide a significant impact at low cost. For higher need claimants the unit cost will be in the range of £2000 and £6000 to have a 33-50% success rate (about 6 to 10

times better than existing welfare to work programmes). The total cost of this work will initially be about £4.9M across Surrey.

Enhancing the information advice and guidance that young people receive will cost approximately £260,000 to improve the overall offer and to provide additional support for the young people who need it the most.

The development of pathways will require a significant shifting of resources between education providers. Some of the alternative pathway will require more resources to develop, run and to transport young people. As the pathways become further developed there will likely be some saving from better resource management and better provision within mainstream options which will offset these costs. The cost of co-ordinating the pathways and involvement of employers will cost approximately £105,000 in Surrey. The additional running costs will depend on the type of provision, take up and capacity within the current system; based on previous provision we expect the total cost to be less than £1M for these developments but further modelling work will take place .

Increasing the number of young people who go through apprenticeships will also have an impact on government expenditure as BIS helps finance the training costs. Based on the number of young people we hope to help in to apprenticeships we estimate the additional cost to BIS will be about £3.4m.

The potential whole system savings from Skills for the Future overlaps with the savings outlined in the Family Support Programme workstream. Of the £16.3 Million in cashable saving it is estimated that the potential overlap is less than £400,000.

Overlap with FSP:

Work to reduce:	Maximum potential overlap
18-24 year olds on benefits	£231k
NEET young people	£156k

6. Implementation plan

Step	Date	Risks
Business Case to Cabinet	4 February 2014	
Detailed proposal to PSTN	February 2014	A significant resource commitment will need to be made across a significant number of groups in order to meet timescale.
Form PSTN Technical Support Group for Skills for the Future to secure agreement with the PSTN and required flexabilites from government.	March 2014	Need significant leadership to drive support within government. Without strong support the proposal will be unable to deliver on most of its aims.

Develop implementation plans with pilot area(s)	February – March 2014	A significant resource commitment will need to be made across a significant number of groups in order to meet timescale.
Local action teams formed for SW Surrey	March 2014 – April 2014	Requires strong local leadership and local commitment.
Development of Employability Curriculum with Employers	March 2014 – July 2014	Require a broad range of specialist expertise, broad cross organisation agreement and commitment.
Launch 'Mindsets for Employability' in SW Surrey	September 2014	Many cost benefits may only be realised once the new delivery model is in place. A complex and or slow implementation might delay benefits realisation. The new delivery model will require radical change to organisations, staff and families. Careful risk management will be necessary at implementation.
New pathway options in SW Surrey	September 2015	Significant complexity in implementation and co-ordination.
Implementation across Surrey	September 2016	Rollout depends on success in the SW Surrey area and local mechanisms being in place in other areas to enable roll out.