

Outline Business Case

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| Strand title | Skills for the Future (14-25) |
| Sponsor(s) | Nick Wilson, Strategic Director, Children, Schools and Families Garath Symonds, Assistant Director for Young People |
| Lead | Frank Offer, Head of Commissioning for Young People |
| Project team members | Marcus Robinson, Kevin Lloyd |
| Version number and date | 1.2 – 09/10/13 |
| 1. Aims and objectives | |
| <p>Our aim is to transform 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. 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. Key objectives include:</p> <ul style="list-style-type: none"> ○ Integrate, reform and localise information, advice and guidance (IAG) 14 to 25 ○ Produce a flexible, integrated education and training pathway in Key Stages 4 and 5 ○ Develop blended programmes with schools, colleges, universities, training providers and businesses, that are flexible and for all abilities ○ Prepare young people for an adaptive 21st century global job market ○ Establish a collaborative network of local schools, colleges and business to deliver a new professional and technical pathway for young people <p>We will develop our most talented young people to sharpen Surrey’s competitive edge globally and achieve full participation across this age range by 2018.</p> | |
| 2. Case for change | |
| <ul style="list-style-type: none"> ○ 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. 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.
- 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.

3. Proposed new delivery models

- Surrey local skills match overseen by Employment and Skills Board with employers identifying skills priorities through Local Enterprise Partnerships to match to an education and training offer through networks of local schools, colleges and training providers.
- High quality, relevant and impartial information available to young people from age 13 that includes 1 to 1 support, employer activity, opportunity fairs and relevant localised web-based media.
- Surrey local education and training offer for young people aged 14-25, including a range of academic, technical and professional pathways that provide adaptive skills for the 21st century job market with a core of English, maths and computing. These will provide pathways for students of all abilities and will be co-produced with young people, parents, employers and education & training providers with funding following the learner.
- A flexible offer from age 14 that includes blended packages involving schools, colleges, employers, training providers, the Youth Support Service and Higher Education. This will include brokerage between employers, young people and providers to promote and increase opportunities. Incentives will be put in place for providers to provide more flexible options for their students and for employers to invest in young people.
- The Surrey offer to include simple and coherent pathways to work for all, drawing together the range of nationally and locally commissioned programmes into one locally driven programme, matched to employers' needs.

| Presenting issues | Public Agency Stakeholders |
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| 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 |

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| | 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

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:

- 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.
- Support in investment in programmes which will deliver savings to Government welfare to work programmes and benefits payments for young people.

5. Financial case

In 2010 the Audit Commission estimated that a NEET young person in 2008 cost an average of £56,000 in public finance costs as well as £104,000 in opportunity costs. From August 2012 to the end of July 2013 1,730 16-18 year old young people became NEET in Surrey representing a lifetime cost of over £96 million of public finance cost and almost £180 million in opportunity costs. The analysis does not indicate how much of these are cashable if NEETs reduce.

In August 2013, there were 1,950 JSA 18-24 year old JSA claimants in Surrey. Nationally it is estimated that each unemployed 18 to 24-year-old costs about £14,980 a year: £4,873 in benefits, £1,199 in lost tax and National Insurance contributions, and £8,998 to the economy in lost productivity.

Benefit cost 1,950 x £4,873 £9,502,350

If NEETs reduce there would be a cashable saving on benefit payments for the DWP.

Lost Tax & NI 1,950 x £1199 £2,338,050

If NEETs reduced and entered into employment they would start to make a positive contribution to the tax and NI revenue funding streams to the government.

Loss to the economy 1,950 x £8998 £17,546,100

If NEETs reduced and entered into employment they would start to make a positive contribution to the overall productivity of the economy, but how much of this is cashable or non-cashable is difficult to determine.

The potential whole system savings from this workstream overlap with the savings outlined in the Family Support Programme workstream.

6. Implementation plan

| Step | Date | Risks |
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| Governance agreed through Employment and Skills Board | 11/9/13 | None |
| Partnership Workshop | 8/10/13 | None |
| Outline Business Case for SCC Cabinet | 10/10/13 | Business case will need to be adapted based on Cabinet feedback. |
| Secure Public Service Transformation Network and Government Support for investment in return for savings and for required freedoms and flexibilities and associated changes in Government programmes. | 30/11/2013 | Both PSTN and Government support are central to the success of the project. Plan will need to be adapted depending on the response from these groups. Need to clearly demonstrate both the benefits of the new model and the commitment that Surrey has. |
| Prepare detailed Cost Benefit Analysis, building on agreements secured from Government. | 31/12/13 | It is unlikely that all agencies will be able to provide detailed financial data specific to Surrey. Agencies may not give the production of this work priority. Therefore best available data will need to be relied on. |

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| Identify pilot area(s) for operation from 1/9/14 | Jan 2014 | Pilot areas will need to have both broad support of the new model and structures in place to support implementation. |
| Commission information, advice and guidance | Jan 2014 – April 2014 | Existing IAG contract agreements may pose a barrier to change. Timescales will be challenging for both consultation and commissioning processes. |
| Agree implementation plans with pilot area(s) | Feb 2014 | A significant resource commitment will need to be made across a significant number of groups in order to meet timescale. |
| Begin implementation | 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. |

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