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To: Communities Cabinet Committee

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Subject: **Vulnerable Learner Apprenticeship Project Update**

Classification: Unrestricted

Summary: In February 2010 the County Council made a commitment to back the development of a scheme to support marginalised young people to access Apprenticeships. This paper outlines the findings of the independent evaluation of the project.

Recommendation: Members are asked to note and comment on this report

1. Introduction

1.1. The Vulnerable Learner Apprenticeship Project started in September 2010 following a proposal at County Council and subsequent agreement from Cabinet to pilot a project aimed at understanding the barriers that certain groups of young people face in accessing employment opportunities, particularly Apprenticeships. Through the project we have highlighted the intensive support that these groups of young people require to access Apprenticeships in the first instance and then the continued support they need once in their role. It has also identified that there is a gap in provision for most of these groups that moves them from preparing for employment and actually finding and moving into that employment.

2. Background

2.1 The cohorts involved in this project were identified as they are particularly disadvantaged in the labour market which is shown by the unemployment rates below:

- Learning Disabilities – 94%
- Young Offenders – 60%
- Looked After Children leaving care – 33%
- Young Parents – 84%

2.2 These groups are also disengaged with learning and skills and find it difficult to access Apprenticeship opportunities. Those taking part in the scheme had a range of needs, for example some young offenders had committed low level offences while others had left Cookham Wood Young Offender Institution. The young people with disabilities also have a range of needs, some with physical disabilities, some with learning disabilities and others with mental health problems.

3. Success to date

- 3.1 In total, 69 young people have been employed through this project. 62 of those undertaking an Apprenticeship – either Level 2 or Level 3 – and 7 young people undertaking an Apprenticeship Style Opportunity – a bespoke training and employment programme that KCC has developed for young people with learning disabilities.
- 3.2 To date, 37 of the young people who started on the project have successfully completed their Apprenticeship or Apprenticeship Style Opportunity; this represents 54% of the cohort which is below the national average for Apprenticeship completions but above the project target rate of 50%. A further 4 young people are continuing their Apprenticeship and are due to finish in the coming 3 months. Of the 37 young people who have gained their qualifications, 70% of those have moved in to sustained employment.
- 3.3 There have been some drop outs from the project, despite the ongoing support put in place for the young people and their employers. There have been a number of reasons for this, some had to withdraw due to their chaotic lifestyles and changes in their personal circumstances which were outside of the control of this project and others were let go due to a lack of commitment and poor attitude.
- 3.4 However, there have also been some real success stories; Chris, a young father, successfully completed his Level 2 Business and Administration Apprenticeship with the Teenage Parents Team within KCC and has moved in to full time employment within a Childrens Centre in Tenterden. Paul, a young man with learning disabilities, has completed his Apprenticeship Style Opportunity at the Romney Resource Centre and is going to start a Level 2 Catering Apprenticeship in October.
- 3.5 Both young men have not only gained qualifications but have also developed their confidence and personal skills throughout the year that they have been on the project. They now have raised aspirations and are looking forward to the future, Chris to provide for his young family and Paul so that he can help support his disabled parents.

4. Evaluation Summary

4.1 Main findings

- 4.1.1 The evaluation highlighted many challenges and issues faced in setting-up and running the pilot project. The project deliverers have adapted their services to meet such challenges and the lessons learned from this pilot to include the strengthening of ties with, and in some cases between local organisations, the introduction of an Operational Project Group, and redefining job roles to change internal organisation infrastructure. The findings from the evaluation have been used to inform the adapted model used for phase 2 of the project.
- 4.1.2 Another adaptation was the innovation of Apprenticeship Style Opportunities (ASOs) for 7 young people with learning disabilities who found it academically difficult to obtain the qualification: ASOs were employed for a minimum of 16 hours per week and the project paid the NMW for their age. The training was a combination of classroom based learning and on the job learning. The ASO programme aimed to replicate an apprenticeship as far as possible but at a lower level. This highly inclusive approach is currently unique to Kent and one young

person who could not have undertaken a full Apprenticeship when he first joined the project has completed his ASO and is now doing an Intermediate Apprenticeship in Playwork.

- 4.1.3 The evaluation has shown that some organisations services within KCC are better set up to provide employment outcomes for their clients. For example, Kent Supported Employment has a relatively mature supported employment service, set up to contact employers, find jobs, undertake vocational profiling and develop on-going support strategies to assist the young person and the employer once they were in work. The Care Leaver's team, on the other hand, had very few employment supports in place and focussed mainly on the young person's transition into a new home and supporting them to develop their social networks.
- 4.1.4 The potential of the specialist teams to deliver the project was also affected by the amount of resource available to them beyond the Champion team leaders. Where mature employment focussed procedures were already in place there was greater potential to tap into that resource as part of the overall practice of the organisation (e.g., KSE). In retrospect, the experience that KSE had in developing employment procedures specifically for vulnerable groups was underutilised and could have provided useful information and training for the other specialist teams and in future their model of supported employment could be used across all cohorts.

4.2 Young people's views

- 4.2.1 The young people within the project were interviewed with a number of key themes emerging. When asked what they hoped to get from being part of the project the young people interviewed mentioned several central reasons for their participation, these included: having an opportunity to learn and earn; gain work experience; have brighter prospects for the future; and having all the necessary support (financial, practical, academic) available to help them to become apprentices. The majority of the young people interviewed said that the opportunity to gain a qualification was the biggest draw for them.

"It's a path to a career more than just a year of dead end work – something to aspire to for my daughter – she'll see me working and helping others and not on benefits –it might change her life too." (Young Parent)

- 4.2.2 Those involved in the project had definite ideas that an apprenticeship would enable them to make more of their lives and were thinking about the future and what kinds of opportunities were currently available to them. A number of the young people interviewed described having previously tried to access this type of learning/earning model either through school, college, benefits advisors or by themselves but had been thwarted and unsuccessful:

"I was looking for an apprenticeship myself but was having no luck, it was getting really depressing then this came along" (Youth Offender)

- 4.2.3 The apprentices also talked about how having an apprenticeship had given them more confidence, motivated them, increased their self-worth and self esteem and even helped them to mature:

"I'm more confident, independent and I'm showing people I can do things"
(LD/MH apprentice)

4.3 Employer's views

- 4.3.1 When interviewed, most employers (73%) stated that they would not have hired the young person without the wage subsidy. However, less than 10% of employers reported having had apprehensions about hiring a vulnerable person, and were more concerned about the amount of 'red tape' that would be associated with the project. This challenges perceived notions that employers tend to stigmatise vulnerable groups. All the employers interviewed identified advantages for their organisations in hiring the young people and 89% stated they would recommend the project to other employers.
- 4.3.2 The evaluation also shows that of those employers who said they definitely would not have hired without the subsidy, 70% have hired their apprentice after that young person has completed their qualification and proved to be of benefit to the organisation.
- 4.3.3 Throughout the year that KCC was paying the subsidy, employers had an opportunity to see the apprentices at work in their business and fitting in well with other employees, their commitment to the individual increased resulting in some considering ways to keep or hire the apprentice including writing a grant proposal where previously, they had no such intent. The overriding sense from the interviews was that employers had 'bought into' the project, identifying it as a positive for society as a whole and as part of their own social obligations suggesting opportunities to market the project geared toward the more intrinsic benefits for each business or organisation.

"I'd never have even interviewed her, I'd have thrown out her resume or application but the fact that the project was backed by KCC made me think twice. They told me about her record and she was really honest about it herself – now I really couldn't imagine my business without her" (Small employer in Thanet)

4.4 Cost benefit analysis

- 4.4.1 In the current financial climate, identifying the financial impact of the project has been crucial. Most cost benefit analysts look at costs/saving at the 'Individual Level', to see if the beneficiaries were better off as a result of the intervention, the Local Authority (LA) level, due to beneficiaries using less local services, and at the Taxpayer Level, reflected in such things as reductions to welfare benefits payments and increased income from indirect taxation (VAT) and National Insurance contributions. Savings at the LA level are not just evaluated on amount of service usage, but also on any observed reductions in costs for the services it funds.
- 4.4.2 Most previous analysis in this field compare the 'pre' situation (unemployed person) to the 'post' one (person in paid work). With this project it is also possible to look at the financial impact *during* the intervention over the sustained period of an apprenticeship (usually 1 year). It is expected that there will be savings at the taxpayer level during the apprenticeships, as increased income would directly lead to reductions in welfare benefits payments: notably, in Income Support, Employment Support and Job Seeker's Allowances.

- 4.4.3 The actual spend on VLP up to March 2012 was £275,998.5, suggesting an overall investment figure of £6,571 per person, a running cost for VLP of £14,526 per month, implying £43,578 worth of investment per cohort per year.
- 4.4.4 The cost benefit analysis within the evaluation suggests that, excluding the intervention costs, there is a saving to the Tax Payer of £56,472 per year while the young people are in their apprenticeships and a saving of £120,384, following their assumed uptake of a paid job over a 12 month duration. The result is a combined saving of £176,856 over the assumed 2 year period covering the 12 months of the apprenticeship and 12 months in paid work. These figures include £17,851py in Tax and National Insurance contributions during the post apprenticeship work condition.
- 4.4.5 If running costs of delivering the project (£14,526 per month) are now factored in then there is unsurprisingly an overall cost associated with the delivery phase of £117,840. However, the overall balance moves above break-even point following 1 year in paid work creating a net cash flow of +£2,544, representing a modest return at this point of 1p for every £ invested at this stage. Clearly these savings will accrue the longer the young people remain in paid work and assuming that in-work savings remain constant over time, then one can predict an accumulated balance of + £604,464 assuming a result of 42 young people obtaining paid work through the project for a further 5 years. This equates to an impressive saving of £2.19 for every £1 of the initial overall investment. If the fall out rate (39% as of 31st March 2012) is applied, in extrapolating 5 year figures, observed savings reduce by £223,651 to £380,813, a saving of £1.38 every £1 initially invested.

5. Next Steps

5.1. Delivery of Phase 2

- 5.1.1 Phase 2 is currently being implemented, the model having been adapted where possible to incorporate the lessons learnt from the first phase. With the funding available for this phase there are 35 places available; 10 disabilities (5 ASO), 5 care leavers, 14 young offenders and 6 young adult offenders (through the Probation Service).
- 5.1.2 The major challenge with the second phase of this project is finding employers to take on the young people. The leads for each group have identified the young people and the training providers have assessed them suitable for an Apprenticeship but there is much difficulty in engaging with businesses to employ them. Work has been done using existing contacts, Jobcentre Plus, the Chambers of Commerce as well as targeting businesses in the focus areas – with little success.
- 5.1.3 This is a symptom of the economic climate as many employers are saying that they are reluctant to take on any staff as they do not have enough work or cannot guarantee a future, they are making redundancies or that they do not have the capacity to spend time training an Apprentice due to cuts they have already made. The reluctance to take on the Apprentices has not been due to their vulnerabilities.
- 5.1.4 That is not to say that businesses are not taking on Apprentices, through the Kent Jobs for Kent Young People programme there are many that are employing unemployed young people and where possible we are linking the VL project to this and will our young people with employers through this scheme. As the Kent Jobs

for Kent Young People programme develops, the lessons learnt through this project, particularly around the wrap around support for vulnerable young people, can be applied to supporting those on benefits to undertake an Apprenticeship and, working with JCP and Work Programme providers, more of vulnerable young people can gain employment.

- 5.1.5 This does also highlight the other current difficulty, there are so many schemes for young people aged 16-24 available to employers with different funding attached that employers have a wide, and somewhat confusing, choice as to which choice to take. We will work with those running the different programmes to ensure that links are made where possible.
- 5.1.6 To date in phase 2, 18 young people have been employed in an Apprenticeship across Kent with a further 3 having identified employers. The deadline for finding businesses for the remaining young people is 24th August 2012.
- 5.1.7. The project team will continue to support and monitor those employed through the project until the end of the Apprenticeship and those who we are unable to place will be supported in to other routes via their support services.

5.2. National Profile

- 5.2.1 In June 2012 the Divisional Director for the National Apprenticeship Service (NAS), Vic Grimes, visited KCC to find out more about the project. NAS are very interested and have begun working with KCC and work based learning providers in Kent to implement the recommendations of the evaluation (see Appendix A). A key focus for NAS in 2012/13 is equality and diversity within Apprenticeships and also broadening Apprenticeships and the VL Project has already highlighted some of the barriers particular groups of young people face in accessing Apprenticeships, therefore the evaluation findings will be used to help shape Apprenticeship development in the future.
- 5.2.2 NAS are keen to work with the project at an operational level, and this is already underway, but also at a strategic level and is proposing that their Chief Executive, David Way, visit Kent to find out about the project first hand and to meet some of the young people who have benefited from it. We will continue to work with NAS to make this ensure that this happens as soon as possible.
- 5.2.3 The project has also gained national interest from other County Councils such as Essex and Hertfordshire, and we will work with them to advise as they set up similar projects. Peter Little OBE was commissioned by Government's Apprenticeship Unit to write a report in to access to Apprenticeships for young people with learning difficulties and disabilities. He is also interested in finding out about this project as there is a lot of cross over between the findings of our project and within his report.

5.3. 14-24 Learning & Skills Strategy

- 5.3.1 The VL project is a delivery vehicle that will contribute to a number of the key performance indicators within the 14-24 Learning & Skills strategy. As we as contributing to the overarching Apprenticeship targets to increase the number of young people undertaking Intermediate and Advanced Apprenticeships, as the project focuses on vulnerable groups it will also contribute to the following KPIs:

- The outcomes for 19 year olds from disadvantaged backgrounds will be above the national average and the achievement gap between this group and other students will have reduced by 10%.
- There will be a significant impact on unemployment among 18-24 year olds so that current levels reduce by 4000 to below 2008 levels.
- The number of assisted employment opportunities for learners with learning difficulties and disabilities will increase by 10%.
- All learners with learning difficulties and disabilities aged 16-19 will be able to participate in education and training, with year on year increases in the number of vulnerable learners supported into work based learning

5.3.2 Once the implementation of phase 2 has been established, work will be done to look at options moving forward; which elements of the project need to be embedded to enable the wrap around support, that has been so key to this project, to continue for these groups and what options are there to identify external funding to continue to offer a financial incentive to employers to employ these young people.

5.4 Troubled Families Programme

5.4.1 As the Troubled Families Programme is developed and work with individual families is undertaken it will be important that those working with the families, particularly those with young offenders aged 16 to 18, are aware of the Apprenticeship route and the benefits that it could bring not only to the individual but also to the family as a whole.

5.4.2 The lessons that have been learnt from the VL project in terms of the wrap around ongoing support needed for the most vulnerable young people when they are looking at future options can feed in to this programme to ensure that there are successful outcomes. This support has meant that the VL Project has had very low rates of re-offending as the young people have been engaged in something positive, have had a consistent adult to support them, the YOS 'Champion', and have felt the benefits of employment and doing something for themselves.

5.4.3 It is lessons such as these, which apply not only to the Apprenticeships but also more widely, that will support the work undertaken by the Troubled Families Programme. The identification of a the vital role that a 'trusted adult' can play and the wrap around support provided within the VL project provide learning that can be taken in to Districts when methods of supporting families are being developed.

6. Conclusion

6.1 In conclusion, the results show that this project is contributing significantly to the prospects of vulnerable people within Kent. It complies strongly with the current Government and County Council's emphasis on early intervention strategies for vulnerable young people and has produced increases in the levels of social responsibility, independence and optimism for the future among the young people taking part. It also has the potential to generate significant savings at the Tax Payer and LA levels in a harsh economic climate and may be highly conducive to an 'invest to save' strategy, with the potential to attract investment monies from outside KCC. The evaluation produces many compelling arguments human and economic,

for continuing the project beyond phase 2 and to work with other Authorities and National Government to ensure it is replicated outside the Kent boundaries.

6.2 As one apprentice sums it up:

"I was doing nothing with my life; even my Mum said I was probably going nowhere and I'd end up stuck on benefits; but now I think I can really do something with my life. I've got something I can build on. I'd eventually like to have my own business; I could be hiring people myself one day – who knows? I feel like one of the lucky ones!" (Young Offender)

7. Recommendations:

Members are asked to note and comment on this report

Background Documents : None

Appendix A - VL Project Evaluation Recommendations

Recommendation 1: Further funding should be made available for continuation and development of VLP and for replication of the approach beyond the Kent boundaries.

Recommendation 2: All deliverers should become acquainted with the methods of 'Supported Employment', especially the procedures developed around the 'place-train-maintain' approach. This could be used as a basis for identifying gaps in service provision.

Recommendation 3: Prior to implementation there should be an emphasis on identifying the amount of resource available to deliver the project within each specialised team and the identification of how existing internal resource can be deployed or rearranged to support VLP

Recommendation 4: Thoroughly explore the potential to link into other local service providers and/or other cohort resources in order to plug any gaps not catered for internally.

Recommendation 5: Ensure the specialist teams have the capacity to support, or develop procedures to support, the young people during and following their apprenticeship.

Recommendation 6: Ensure that Training Providers are aware of the support issues regarding each group.

Recommendation 7: Appoint a central Co-ordinator from the offset to oversee the operational implementation of the project.

Recommendation 8: Employ a dedicated job search co-ordinator to work across the cohorts.

Recommendation 9: Develop follow-up procedures when apprenticeship starts are delayed to maintain contact and update the young people on progress.

Recommendation 10: Ensure that procedures are in place to match the employment preferences of the young people to available jobs to direct job targeting and search.

Recommendation 11: Assistance with how to approach employers should be made available to young applicants.

Recommendation 12: All jobs obtained through the apprenticeships should be assessed for their potential to provide the range of experience needed to meet the qualifications criteria.

Recommendation 13: Assessment procedures for the Intermediate qualification should be adapted to include verbal and non-academic

assessment for those with Learning Disabilities and those who struggle academically.

Recommendation 14: Training Providers to develop assessment procedures based on verbal, observational and practical frameworks, such as the ASO developed through VLP

Recommendation 15: Job finders should target employers, prioritising the Private Sector, who are intending or have the capacity to hire the young person following their apprenticeship.

Recommendation 16: Job finders should prioritise Private Sector Employers looking to train apprenticeships for in-house employment.

Recommendation 17: The wage subsidy should be maintained, but the potential for negotiating partial funding options for some employers should be explored.

Recommendation 18: VLP should be subject to a follow-up cost benefit analysis to determine the financial outcomes more accurately.

Recommendation 19: The methods pertaining to VLP should be widely disseminated to other Government organisations and the benefit – cost potential made explicit.