

REPORT TO ECONOMY, SKILLS, TRANSPORT AND ENVIRONMENT SCRUTINY BOARD

10 October 2019

Subject:	Sandwell Guarantee
Cabinet Portfolio:	Councillor Danny Millard - Cabinet Member for Employment and Skills
Director:	Director – Education, Skills and Employment – Chris Ward
Contribution towards Vision 2030:	
Contact Officer(s):	Kelly Thomas – Employment and Skills Manager kelly_thomas@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Economy, Skills, Transport and Environment Scrutiny Board:

1. Note the progress report for the Sandwell Guarantee programme and make comments as necessary.

1 **PURPOSE OF THE REPORT**

- 1.1 To provide a progress report on the Sandwell Guarantee programme which is due to end on 31 March 2020

2 **IMPLICATIONS FOR SANDWELL'S VISION**

Ambition 1. Sandwell is a community where our families have high aspirations and where we pride ourselves on equality of opportunity and on our adaptability and resilience.

Ambition 3. Our workforce and young people are skilled and talented, geared up to respond to changing business needs and to win rewarding jobs in a growing economy.

3 **BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 The Sandwell Guarantee programme began in September 2014 as a response to high youth unemployment figures and a limited amount of external support for this age group.
- 3.2 The programme was for Sandwell residents who were NEET young people aged 16-24. Support was provided to match individuals to an apprenticeship or job opportunity.
- 3.3 The funding for the programme came from Council reserves and funded wage subsidies for local employers to employ an apprentice or provide a job opportunity.
- 3.4 **The Delivery Model**
The Sandwell Guarantee was an 'ethos' and represented access routes for Sandwell residents to Employment support including Work Experience, the Connexions Service, Youth Services and Sandwell College.
- The programme funded up to 50% of the salary for a maximum of 12 months with the employer contributing the remainder of the salary. Jobs had to be new (and not replace existing posts or staff) and last for a minimum of 12 months.
 - The funding provided 50% of the national minimum wage for the individual's age therefore the amount of funding was varied.
 - The funding enabled the Employment and Skills team to negotiate opportunities which may not otherwise exist. Thus, providing support for some of the most disadvantaged groups within Sandwell including looked after children (LAC), care leavers and those with disabilities and mental health.
 - The programme also generated an additional development of the Fast Forward programme. An outward-bound programme aimed at young people lacking employability skills delivered at the Frank Chapman Centre.

4 THE CURRENT POSITION

- 4.1 The Sandwell Guarantee programme is now in the final year of funding and is coming to an end on 31 March 2020. The programme is not taking any further starts but payments to employers who employ existing participants will continue to be made up until 31 March 2020.
- 4.2 The Sandwell Guarantee was launched in September 2014 and has funded 700 young people from September 2014 to date.

4.3 The programme has reached a cross section of the community. Of those supported, 58% were males and 42% were females. The programme has also supported young people across the full age range and of multiple ethnic groups.

Age	16	17	18	19	20	21	22	23	24
Percentage	5%	14%	17%	18%	14%	10%	10%	6%	6%

Ethnicity	Indian	White British	Pakistani	Black British	Black Caribbean	Bangladeshi	White other	Mixed white/black Caribbean	Mixed white Asian	Black African	Not Disclosed
	5%	70%	3%	3%	1%	2%	2%	5%	1%	1%	7%

4.4 The programme has provided support to 12 Looked after Children who secured employment and Apprenticeship programmes, along with 35 young people who considered themselves to have a disability ranging from learning disabilities, mental health, autism, and physical disabilities.

4.5 The total cost of the programme to date is **£1,737,044.55** funding a total of 700 people into outcomes at a unit price of £2,481.50. This breaks down to 486 apprenticeships and 214 jobs.

4.6 In comparison to the DWP Future Jobs Fund wage subsidy programme which averaged £6000 per job and for only a 6-month opportunity, the Sandwell Guarantee performs well on a value for money basis.

4.7 Throughout the duration of the programme 368 organisations have been supported to take on an apprentice or entry level job. The retention rate for the programme is 84% reaching 12 months.

4.8 **Impact of the Programme**

4.9 Whilst it is not possible to show a direct correlation between delivery of the programme and the reduction in unemployment figures or NEET figures. The statistical trends within the 5 years of delivery have seen an improving picture.

4.10 The table below shows the 18-24 year old claimant count (Unemployment benefits) at the beginning of the programme compared to the current position.

Claimants 18-24	Sandwell Number	Sandwell %	West Midlands %	Great Britain %
Apr 14	2730	9.7	5.7	4.7
Aug 19	1825	6.8	4.8	3.9

4.11 Since the start of the programme the Sandwell figure has decreased by 2.9% compared with 0.9% and 0.8% for the West Midlands and Great Britain. The significant decrease means that Sandwell is closing the gap regionally and nationally in terms of the number of 18-24 year olds that are claiming benefits.

4.12 The table below shows the 16-18 NEET figures from the start of the Sandwell Guarantee to the current position.

NEET 16-18	Sandwell %	West Midlands %	Great Britain %
Mar 14	5.7	6.0	5.3
Jul 19	3.8	5.1	6.0

4.13 Since the start of the programme the Sandwell figure has decreased by 1.9 % with 0.9% for the West Midlands and an increase nationally of 0.7%. Therefore, Sandwell is performing better on NEETs than the overall regional and national picture.

4.14 Exit Strategy

4.15 Since funding is due to cease March 2020 and no new starts are able to be funded, the programme is no longer being advertised to employers or residents.

4.16 The Employment and Skills Services Manager has presented the success of the programme to date to the Black Country Local Enterprise Partnership. The findings of the programme will be included in their Future Funding Pipeline Log.

4.17 Wage subsidy programmes do not usually qualify for external funding therefore sourcing external funding for the programme is unlikely.

4.18 Currently there are no plans for the programme to be continued via council budgets. Should the Council decide to continue delivery of the programme, a budget of between £300,000 and £400,000 per year would be required.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

5.1 There is no consultation associated with this report.

6 ALTERNATIVE OPTIONS

6.1 There are no alternative options.

7 STRATEGIC RESOURCE IMPLICATIONS

7.1 The funding for Sandwell Guarantee ceases on 31 March 2020. Currently there are no plans to continue funding post this date.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

8.1 There are no specific legal and governance requirements regarding the information provided.

9 EQUALITY IMPACT ASSESSMENT

9.1 There are no equality implications arising from this report.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 The information contained herein does not include any personal data and is publicly available.

10.2 There are no data protection issues from this report.

11 CRIME AND DISORDER AND RISK ASSESSMENT

10.1 There are no crime and disorder implications arising from this report.

12 SUSTAINABILITY OF PROPOSALS

12.1 Update reports on the information herein will be available at a frequency required by Scrutiny.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 There are no specific health and wellbeing implications in the information provided.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There are no implications on any council managed property or land in relation to this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The information provided summarises the current position for Sandwell Guarantee.

16 BACKGROUND PAPERS

16.1 None.

17 APPENDICES:

17.1 None.

Chris Ward
Director – Education, Skills and Employment