

**READING BOROUGH COUNCIL**  
**REPORT BY DIRECTOR OF CHILDREN, EDUCATION AND EARLY HELP SERVICES**

<b>TO:</b>	<b>ADULT SOCIAL CARE, CHILDREN'S SERVICES AND EDUCATION COMMITTEE</b>		
<b>DATE:</b>	<b>11 JULY 2018</b>	<b>AGENDA ITEM:</b>	<b>13</b>
<b>TITLE:</b>	<b>ONE READING SOCIAL IMPACT BOND CAREERS INFORMATION ADVICE</b>		
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## **1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY**

On behalf of its strategic partners, RBC has developed a full application to the Department for Media, Culture and Support (DCMS) Office for Civil Society (OCS) for the Life Chances Fund (LCF)<sup>1</sup> development grant, to fund a social impact bond 'One Reading' related to improving participation outcomes - in education, employment or training (EET) - for young people from vulnerable groups.<sup>2</sup>

A social impact bond (SIB) requires strategic partners to act as 'co-commissioners', each making a financial contribution to fund activity to tackle the shared and costly issue of young people 11 to 19 not participating in EET destinations. This approach will maximise resource and support a reduction in operational costs.

RBC has a budget (to be referred to as the 'IAG budget' in this report) worth £250k per year, allocated to fulfil the Council's statutory duty to offer provision of careers information, advice, and guidance (IAG) for young people aged 13-19. This extends up to 25 for young people with SEND. The budget is also to support young people's participation in education, employment and training, as well as reporting on the numbers of 17 to 18 year olds who are NEET (not participating in education employment or training).

Contingent upon the success of the SIB application, to be announced in July 2018, it is proposed that this annual budget of £250k be allocated to the One Reading SIB, each year, for five years effective from July 2019 on commencement of a SIB. This would

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<sup>1</sup>See the LCF website for further details <https://www.gov.uk/government/publications/life-chances-fund>

<sup>2</sup> The Government Outcomes Lab (a partnership organisation with the University of Oxford) has provided an accessible overview of SIBs: <https://golab.bsg.ox.ac.uk/basics/introduction-social-impact-bonds/>

provide a total value of £1.25m over the 5 years. One Reading would therefore deliver the above duties along with additional outcomes, set out in the outcomes framework.

## 2. RECOMMENDED ACTION

2.1 That the NEET budget of £1.25m over five years (£250k per year) be allocated to the One Reading SIB from July 2019, if successful at application stage.

## 3. POLICY CONTEXT

### 3.1 Statutory duties related to information, advice and guidance (IAG)

Local authorities have broad duties to encourage, enable and assist young people to participate in education or training<sup>3</sup>. Specifically these duties are to: To secure sufficient suitable education and training provision for all young people in their area who are over compulsory school age, but under 19, or aged 19-25 and for whom an Education, Health and Care (EHC) plan is maintained. This is a duty under the Education Act 1996<sup>4</sup>.

- To make available to all young people aged 13-19 and to those between 20 and 25 with special educational needs and disabilities (SEND), support that will encourage, enable or assist them to participate in education or training under Section 68 of ESA 2008<sup>5</sup>.

Local authorities are required to collect information about all young people so that those who are not participating, or are NEET, can be identified and given support to re-engage.

## 4. THE PROPOSAL

### 4.1 Overview of the 'One Reading' SIB and benefits of the model

One Reading will fulfil the Council's statutory IAG duties as outlined in Section 3.1, including the need to track young people's participation in education and training. The current provision is not targeting those who are most in need (sustained NEETs) including LAC young people, SEND, teenage parents, those with offending or behavioural background and those struggling with their mental health.

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<sup>3</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/349300/Participation\\_of\\_Young\\_People\\_Statutory\\_Guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/349300/Participation_of_Young_People_Statutory_Guidance.pdf)

<sup>4</sup> Sections 15ZA and 18A of the Education Act 1996 (as inserted by the Apprenticeships, Skills and Children and Learning Act 2009) and Part 3 of the Children and Families Act 2014.

<sup>5</sup> Section 68 Education and Skills Act 2008 as updated by Section 20 of the Children and Families Act 2014.

One Reading will specifically aim to support these vulnerable groups, via an early intervention model that works with young people from the age of 11 - to ensure those who we know are at risk are supported to remain participating in positive activities.

The One Reading SIB will provide major benefits to the strategic partners and Reading's vulnerable young people including:

- Better education, training and employment outcomes for vulnerable young people through enhanced service provision, helping the Council to achieve its corporate aim to reduce rates of NEETs to 2.5%;
- a closer working relationship between the local strategic partners based on co-commissioning, supporting them to use their collective powers as commissioners to tackle a shared issue;
- the use of social investment as pump-prime money to initiate system change leading to earlier help and reduced costs;
- moving away from resource-based to outcomes-based commissioning of services, meaning that RBC only funds services when specific outcomes are achieved. Reducing costs to public services, through providing early help for young people not in participation (every young person that is NEET has conservatively been estimated to amount to £56,000 in lifetime public service costs), with vulnerable groups that are NEET costing considerably more.<sup>6</sup>
- a SIB will generate around £430k of new funding, from the Cabinet Office, for the benefit of RBC and its strategic partners - to tackle a common and shared costly issue and help support a reduction in operational costs.

## 5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 -Safeguarding and protecting those who are most vulnerable;  
-Providing the best start in life through education, early help and healthy living;
- 5.2 -Establish Reading as a learning City and a stimulating and rewarding place to live and visit;  
-To promote equality, social inclusion and a safe and healthy environment for all

## 6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 The One Reading Business Case was co-designed with a range of Voluntary and Community Sector partners, as well as other key stakeholders including Cranbury College, Reading College and a number of Reading Schools where there are young people at risk, or have disengaged. Young people were integral to the design of the new early intervention model.
- 6.2 In the design of One Reading - research from the New Economy Manchester and GoLab was utilised in developing the outcomes framework.

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<sup>6</sup> Coles et al. (2010), 'Estimating the life-time cost of NEET', University of York, <https://www.york.ac.uk/inst/spru/research/pdf/NEET.pdf>

## **7. EQUALITY IMPACT ASSESSMENT**

- 7.1 One Reading will work with all young people; but have a specific focus on improving outcomes for young people from vulnerable groups. An Equality Impact Assessment is therefore not applicable.

## **8. LEGAL IMPLICATIONS**

- 8.1 The Council has a duty to enable and support young people to participate in education and training in its area under the Education and Skills Act 2008.
- 8.2 As a best value authority, the Council is also subject to a general duty under section 3 of the Local Government Act 1999 to “secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”.
- 8.3 Pursuant to its obligations under the Public Services (Social Value) Act 2012, where the Council proposes to procure or make arrangements for procuring the provision of services it must, consider “how what is proposed to be procurement might improve the economic, social and environmental well-being of the relevant area, and how, in conducting the process of procurement, it might act with a view to securing that improvement”.
- 8.4 Contracts awarded by the Council in relation to the One Reading SIB must be compliant with the Council’s obligations under the Public Contracts Regulations 2015 and internal standing orders.
- 8.5 The Council intends to enter into agreements with its public sector Co-commissioners, Investors and the delivery organisation. The agreement with the delivery organisation will be outcomes-based in line with the SIB model.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 Currently, the Local Authority pays a third party provider to deliver its statutory duties, as set out above. This approach has not sufficiently reduced the numbers of young people who are classed as NEET; as it does not take a targeted approach to those young people most in need.
- 9.2 One Reading will re-engineer existing RBC resource into a more targeted model; delivered in a holistic way with its strategic partners. Using data in a more smart and preventative way will support a reduction in the use of high costs services by vulnerable groups; through earlier intervention.
- 9.3 As the Life Chances Fund top up the contribution of the co-commissioners - the SIB will generate around 430k of resource for RBC Children’s Services and its strategic partners