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**Our reference:** A Poole  
**Your reference:**  
**Date:** 6 January 2017



**Rushcliffe**  
Borough Council

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 10 January 2017 at 7pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West Bridgford to consider the following items of business.

Yours sincerely

Deputy Monitoring Officer

## **AGENDA**

1. Apologies for absence.
2. Declarations of Interest.
3. Minutes of the Meeting held on Tuesday 13 December 2016 is attached (pages 3 - 5).

### **Key Decisions**

None

### **Non Key Decisions**

4. Future Property Investment Strategy Options  
The report of the Chief Executive is attached (pages 6 - 18).
5. Review and Future of YouNG  
The report of the Chief Executive is attached (pages 19 - 58).
6. Streetwise Environmental Ltd – New Corporate Structure  
The report of the Executive Manager – Finance and Corporate Services is attached (pages 59 - 64).

Rushcliffe Community  
Contact Centre

Rectory Road  
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Nottingham  
NG2 6BU

#### **In person**

Monday to Friday  
8.30am - 5pm  
First Saturday of  
each month  
9am - 1pm

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7. Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

It is RESOLVED that the public be excluded from the meeting for consideration of the following item of business pursuant to Regulation 4 (2) of the above Regulations on the grounds that it is likely that exempt information may be disclosed as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

8. Civic Centre Marketing Options

The report of the Chief Executive is attached (pages 65 - 71).

**Budget and Policy Framework Items**

None

Membership

Chairman: Councillor J N Clarke

Vice-Chairman: Councillor S J Robinson

Councillors: R L Butler, J E Cottee, D J Mason, R G Upton

<b>Meeting Room Guidance</b>
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**Fire Alarm Evacuation:** in the event of an alarm sounding please evacuate the building using the nearest fire exit, normally through the Council Chamber. You should assemble at the far side of the plaza outside the main entrance to the building.

**Toilets:** are located to the rear of the building near the lift and stairs to the first floor.

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**Microphones:** When you are invited to speak please press the button on your microphone, a red light will appear on the stem. Please ensure that you switch this off after you have spoken.

**MINUTES  
OF THE MEETING OF THE  
CABINET  
TUESDAY 13 DECEMBER 2016**

Held at 7pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford

**PRESENT:**

Councillors J N Clarke (Chairman), R L Butler, J E Cottee, D J Mason,  
S J Robinson, R G Upton

**ALSO IN ATTENDANCE:**

Councillors A MacInnes, G R Mallender

**OFFICERS PRESENT:**

N Carter	Deputy Monitoring Officer
P Linfield	Executive Manager – Finance and Corporate Services
K Marriott	Executive Manager – Transformation and Operations
A Poole	Constitutional Services Team Leader

**28. Declarations of Interest**

There were none declared.

**29. Minutes**

The minutes of the meeting held on Tuesday 15 November 2016 were approved as a correct record and signed by the Chairman.

**30. Streetwise Environmental Ltd – Accounting Treatment for Pensions**

Councillor Robinson presented a report on the revision of pension arrangements for Streetwise Environmental Ltd. He informed Cabinet that the proposal was to move to a pensions 'pass through' arrangement, back dated to 1 April 2016, with the transfer of all pensions' assets and liabilities to the Council. He assured Cabinet that the liability was insignificant for the Council compared to the total funding pot and that the liability rested with the Council anyway as it was responsible to underwriting Streetwise's contributions to the existing pension scheme.

He added that an unforeseen consequence of Streetwise Environmental Ltd being created was that it became exposed to the volatility of actuarial risks in respect of liabilities within the Local Government Pension Scheme. He highlighted that the transfer of pensions arrangements would result in an improved financial position for Streetwise Environmental Ltd, with a stronger balance sheet and higher operating profits which would increase by £80,000. A Deed of Agreement would be signed.

RESOLVED that Cabinet:

- a) approve the pensions 'pass through' arrangement backdated to 1st April 2016 with Streetwise Environmental Ltd pensions' assets and liabilities transferring back to the Council;
- b) approve the principle that the 'pass through' arrangement is the default position for future company arrangements; and
- c) that a Legal Admission Agreement is completed and agreed by both the Council and Streetwise Environmental Ltd.

**31. Rushcliffe Country Park Off-Street Parking Places Order**

Councillor Cottee presented a report on the Off-Street Parking Places Order at Rushcliffe Country Park. He explained that the proposal had been included in the 2016/17 budget setting report and the Council's medium term financial strategy 2016/17 to 2020/21, which were considered by Council on 3 March 2016. As part of this, it was agreed that the current voluntary car parking charges at Rushcliffe Country Park would become compulsory from June 2017. The fee of £1 per day would generate an additional annual income of £20,000. Changes would be made to the existing car park layout to increase car parking capacity. Individuals with an annual pass for the Country Park would be exempt from the car parking tariff.

Councillor Cottee informed Cabinet that the Council contributed around £250,000 per year to the running of the country park. The timetable for introduction of the new arrangements included a consultation period in January/February 2017 with necessary changes to the current car park layout made in March/April 2017.

RESOLVED that Cabinet approve the introduction of an Off-Street Parking Places Order at Rushcliffe Country Park, to be implemented by the Executive Manager – Finance and Corporate Services in consultation with the Portfolio Holder – Communities.

**32. Revenue and Capital Budget Monitoring 2016/17 – Quarter 2 Update**

Councillor Robinson presented a report on the budget position for revenue and capital as at 30 September 2016, details of which were considered by Corporate Governance Group on 1 December 2016.

Regarding revenue, he highlighted that there were a number of adverse variances including under Development Control where a reduction in the number of large scale planning applications had resulted in a reduction in revenue generation of £83,000. Positive variances included employee cost savings due to vacancies not being filled and a fall in diesel prices. This had resulted in a projected efficiency saving for the year of £442,000.

Regarding capital, Councillor Robinson informed Cabinet that the ambitious capital programme which included the completion of two major redevelopment schemes – Bridgford Hall and the Arena – resulted in an expected underspend of £5.473 million. A number of factors had contributed to this underspend,

including the fact that the loan to Nottinghamshire County Cricket Club would be requested over 3 years instead of in one lump sum.

A further £2.5 million of Growth Deal Funding had been allocated to the development of Land North of Bingham although it was unlikely that works would commence this financial year and the scheme would need to be re-profiled. He added that the £75,000 brought forward would be used for the capital investment in Edwalton Golf Club in 2017.

Councillor Mason supported the proposal and the investment in Edwalton Golf Club.

Councillor Clarke said that the variances regarding Development Control supported the lobbying for the localisation of planning fees, which would enable the Council to charge for planning applications in line with the costs to administer the process. He recognised that the variances in capital spending were expected in light of the major capital projects currently being undertaken by the council.

Councillor Robinson recognised the work of the Executive Manager – Finance and Corporate Services and the Finance Team.

RESOLVED that Cabinet:

- a) note the projected revenue and capital budget positions for the year of £442k in efficiency savings and £5, 473k from capital scheme re-phasing; and
- b) approve the accelerated budget provision in relation to Edwalton Golf course to enhance the facilities (specifically the toilets and showers).

The meeting closed at 7.15pm.

CHAIRMAN

## Report of the Chief Executive

### Cabinet Portfolio Holder Councillor S J Robinson

#### 1. Summary

- 1.1. Cabinet resolved on 17 July 2015 to establish a £1.0m investment fund to support an adopted Asset Investment Strategy with a further £0.5m potentially to be used, that was originally intended for Funding Circle loans (approved by Council, March 2016).
- 1.2. The Asset Investment Strategy is intended to help support the transition from financial dependency on Government grants to increasing sustained and programmed revenue income from investments. It also provides a framework in relation to investment limits, types of investments and assessment processes. The Strategy is also written to facilitate a mixed utilisation of the fund to maximise both economic and social benefits, whilst also enabling future growth across the Borough.
- 1.3. Since its introduction, a total of £5.2m has been earmarked to support future revenue income. There remains £5.3m available for allocation.
- 1.4. The Strategy provides a framework for dealing with the issue of risks and balancing these against benefits and the governance arrangements necessary to ensure decisions are taken in the best interest of taxpayers. Since its introduction, there have been a number of property and land investment opportunities evaluated and pursued, but on each occasion the Council has found itself in a position where it has been unable to compete against investors with a greater risk appetite or different development models.
- 1.5. There has also been a desire to explore the potential of establishing a property development company to facilitate and enable the Council to invest in its own area, whilst maximising investment returns to contribute to future revenue commitments.
- 1.6. This report details the considerations required to ensure the Council has the access to the required capacity, expertise and advice to maximise opportunities, minimise risk and maintain a balanced portfolio.

## 2. Recommendation

It is RECOMMENDED that Cabinet approve:

- a) the appointment of Arlingclose as strategic Investment Advisors on terms to be approved by the Section 151 officer in consultation with the Portfolio Holder Finance. These are to be reviewed annually.
- b) that Lunson Mitchenall are invited to bring forward retail asset investment opportunities to deliver an on-going return in accordance with the parameters of the Asset Investment Strategy 2015 - 2020 (Appendix 1).
- c) that an on-going dialogue is maintained with Public Sector Partnerships and key strategic partners to establish a future pipeline of capital investment projects designed to support the objectives of the Corporate Strategy and Medium Term Financial Strategy.

## 3. Reasons for Recommendation

- 3.1. To accord with good financial governance and the Council's Medium Term Financial Strategy.

## 4. Supporting Information

- 4.1 **Appendix 1** details the current Asset Investment Strategy and highlights the following key issues:
  - How the Strategy links to the Corporate Strategy and the Medium Term Financial Strategy;
  - The main risks and benefits associated with different investment decisions;
  - By balancing risk and reward this lends decision making towards both different outcomes and financial limits for different asset classes and the options are depicted within the **Appendix**;
  - The Strategy details the robust governance arrangements that need to be in place; and
  - The main risks associated with capital investment.
- 4.2 There has been a desire to explore the potential of establishing a property development company. However, in most cases where this is being pursued in other councils, it is to assist in the building of social housing in support of council owned stock. Rushcliffe Borough Council sold its housing stock in 2003 and therefore is placed in a different position where it can invest in property in a number of ways.
- 4.3 It has also emerged from discussions with other councils, partners and financial advisors that best practice would suggest that it is desirable to establish the objectives, projects and outcomes prior to establishing a property company or vehicle.
- 4.4 It has become apparent that whilst we have the skills and aptitude to devise the relevant strategy and identify potential opportunities, we do not have the capacity, skills and knowledge to evaluate emerging opportunities quickly and

efficiently, without compromising existing or conflicting operational services, programmes, priorities and objectives.

- 4.5 It would be prudent to maintain a balanced approach to asset investment and property development and three main streams of investment development needs to be established and maintained as follows:

<b>Investment Type</b>	<b>Potential Investment Products/Opportunities</b>	<b>Considerations</b>	<b>Support Requirements</b>
<b>General Investment</b>	Property Fund Investment (Non Landlord function) Loans to Third Parties Peer to Peer mortgage lending Facilitating mortgages Renovation loans	National / Local Focus Sector Focus Secured Loans v Unsecured Loans State Aid compliant Issues Rate of return against capital employed Administration Costs	Awareness of latest products and best practice Administration support
<b>Property investment</b>	Direct Property Investments Commercial Property	Council everyday activity (Commercial Landlord) Partnerships and Joint Vehicle opportunities Wholly owned Company or Trading Company Risk and return compared to fund investment Supporting Local Objectives e.g. Commercial property growth, Ethical Landlord Private Rented sector and Social Housing)	Partners Legal Advice Company Structure Advice Development Resources (procurement, design, plan and build)
<b>Community Investments</b>	Public Sector e.g. Health Centres Housing e.g. custom, self-build, modular builds Commercial / employment Land development	Best Practice Elsewhere Priorities of Partners Legal long term liabilities Medium term / long term risks	Capacity and knowledge of best practice

- 4.6 Therefore, in recognition of the support requirements, a number of meetings and discussions have taken place involving potential partners and suppliers, detailed as follows:

Company Organisation /	Interest	Supplier / Partner	Current Terms Offered
Arlingclose	Supplier of advice, strategy and project evaluation	Supplier	Fixed Fee £7,225 and further fees dependent on a project by project basis.
Public Sector Partnerships	Establishment of Joint Vehicles to deliver a mixed asset portfolio	Partner / Investor	N/A at Present
Lunson Mitchenall	Investment advisors in respect of Retail assets	Supplier	To be agreed on a project by project basis
Social Housing Provider	Growth of housing and diversification of tenure types as an investment strategy	Partner	N/A at present

- 4.7 Current dialogue has established that there is a desire to work with Rushcliffe to both support and deliver an on-going programme of development investments.
- 4.8 However, it is also clear that a portfolio approach in relation to advice, procurement and projects would be most likely to spread risk, maintain pace and deliver efficiency.
- 4.9 Therefore, it is recommended that to bolster existing capacity and knowledge that Arlingclose are appointed to support and advise officers in relation to establishing an on-going strategic investment portfolio based upon the three themes identified in this report. Arlingclose are the Council's current treasury advisors. If the Treasury Advisors were to change in the future it maybe that other advisors would be used, subject to their skills and experience.
- 4.10 It is also recommended that Lunson Mitchenall are invited to actively pursue and submit proposals which could be considered in conjunction with the existing investment strategy. Finally, it is also proposed that a dialogue and active consideration is maintained with existing partners to establish the parameters of programmes which could be incorporated to fulfil the aims of the Council's corporate objectives and Medium Term Financial Strategy.

## 5. Other Options Considered

- 5.1. The investment strategy was adopted following the decision to allocate £10.5m million as part of the 2016/17 capital programme. The budget process is iterative and as such requires on-going comprehensive options appraisal of the suitability of the levels made available for investment, borrowing parameters and future capital funding.

## 6. Risk and Uncertainties

- 6.1. The risks are highlighted in Appendix 1 (Section 5).

## **7. Implications**

### **7.1. Finance**

These are contained within both the report and the supporting Appendix. Each decision taken in terms of asset investment will have its own financial implication and will be subject to a separate business case appraisal. Any costs of using advisors will be built into the rates of return against the respective projects and will be self-financing.

### **7.2. Legal**

There are no direct legal implications.

### **7.3. Corporate Priorities**

Securing a balanced budget is critical to the delivery of the Medium Term Financial Strategy, maximising the income opportunities and delivering the Council's future corporate priorities.

### **7.4. Other Implications**

None

<b>For more information contact:</b>	Allen Graham Chief Executive 0115 914 8349 agraham@rushcliffe.gov.uk
<b>Background papers Available for Inspection:</b>	Council Budget Report
<b>List of appendices (if any):</b>	Appendix 1 – Asset Investment Strategy 2015-2020

## Rushcliffe Borough Council – Asset Investment Strategy 2015-2020

### 1. Background

1.1 Asset investment contributes towards the aims of the medium term financial strategy and the following strategic goals, contained with the Council's Corporate Strategy 2012-2016:

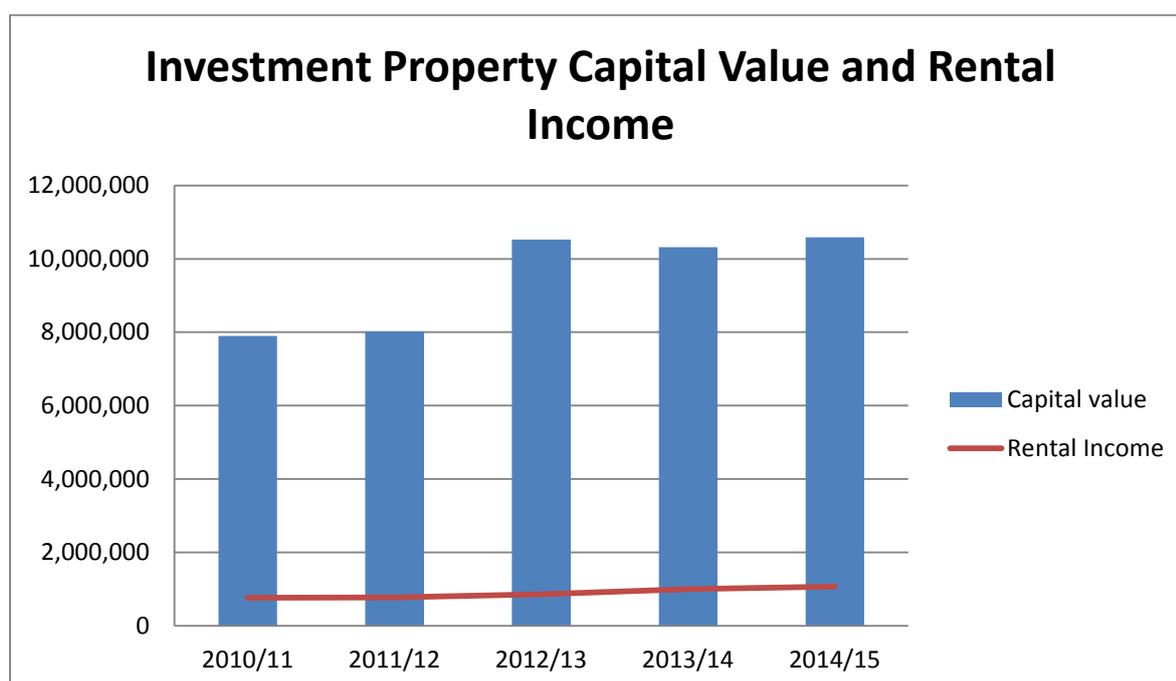
- (a) Supporting economic growth to ensure a sustainable, prosperous and thriving local economy
- (b) Maintaining and enhancing our residents' quality of life
- (c) Transforming the Council to enable the delivery of efficient, high quality services.

1.2 The Council's Medium Term Financial Strategy included within the Capital programme up to £10.5m over the 5 year Strategy, to be invested in assets. This Strategy covers the rationale for such investments and the necessary governance arrangements. The expectation is that such investments will contribute positively towards balancing the medium term financial strategy, stimulate business growth and provide a range of economic and social benefits to the Borough.

1.3 Furthermore since the recession in 2008 and the drop in interest rates there has been further pressure on the Council's revenue budget. Whilst investment in property does present risks there are also potentially higher returns. This Strategy adds flexibility to enable the Council to maximise its investment returns through a 'mixed basket' approach.

### 2. Potential areas of activity and associated risks and benefits

2.1 The Council has a recent history of investing in assets the most recent example being The Point. The graph below shows the additional value to the investment portfolio. Investment income has also been increasing from £769k to £1.1m over 5 years.



2.2 Examples of activity where the Council could invest are depicted in the table below, along with their respective risks and benefits, however this is not an exhaustive list and should be reviewed through investment opportunity and experience.

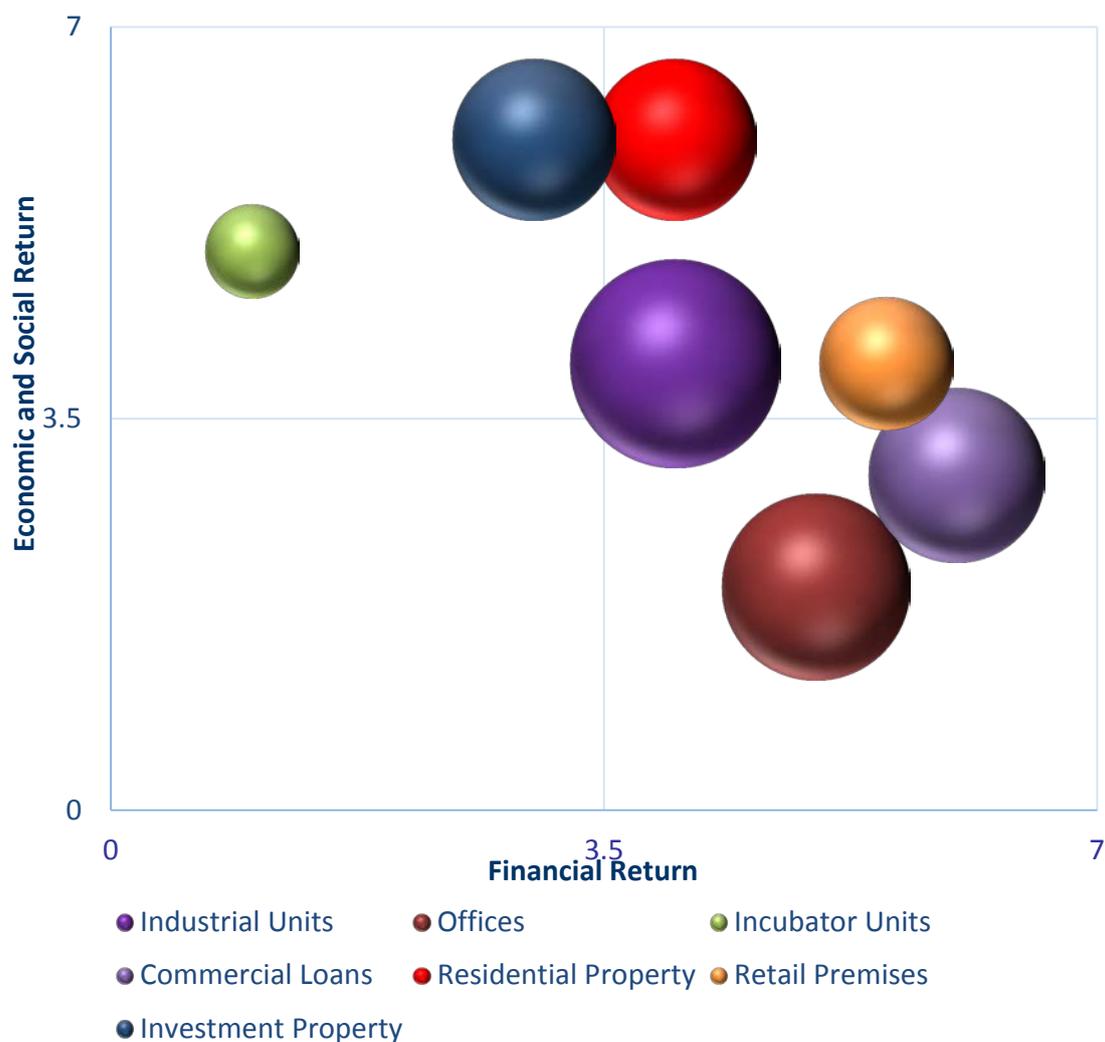
<b>Category</b>	<b>Basis of investment</b>	<b>Risks</b>	<b>Benefits</b>
<i>Industrial units e.g. Hollygate Lane £2.5m</i>	Industrial Units are provided to enable local SME businesses to operate in a positive environment. Businesses can provide positive financial returns and contribute to the development of a vibrant local business community. This meets a gap in the market as the private sector will not build speculatively and the Council may access funding to do so.	<ol style="list-style-type: none"> <li>1. Bad debt.</li> <li>2. Business failure.</li> <li>3. Changing nature of provision making units unsuitable for future needs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Unit rental income exceeding financing and operating costs.</li> <li>2. Low turnover and high occupancy leading to income certainty.</li> <li>3. Potential external funding via Growth Deal and SUDs</li> <li>4. Enhanced number of successful business start-ups and SMEs.</li> </ol>
<i>Offices e.g. The Point £2.3m</i>	The provision of office accommodation enables local SME businesses to operate in a positive environment that supports them as they develop and grow and provides a mechanism to attract other new or established businesses into Rushcliffe. The Point and RTec demonstrate that there are opportunities for the provision of a range of office accommodation suiting the needs of different businesses who wish to locate outside of Nottingham. Also the Council can provide more flexibility in its arrangements (for example short term leases) than commercial providers	<ol style="list-style-type: none"> <li>1. Bad debt.</li> <li>2. Business failure.</li> <li>3. Failure to let dependent on market</li> </ol>	<ol style="list-style-type: none"> <li>1. Unit rental income exceeding financing and operating costs.</li> <li>2. Long term returns linked to occupancy.</li> <li>3. Enhanced number of successful business start-ups and SMEs.</li> <li>4. Development of Rushcliffe as an alternate business hub for Nottingham.</li> <li>5. Long term leases</li> </ol>
<i>Incubator Units</i>	Incubator Units are provided to enable new	<ol style="list-style-type: none"> <li>1. Bad debt.</li> <li>2. Business failure.</li> </ol>	<ol style="list-style-type: none"> <li>1. Unit rental income</li> </ol>

Category	Basis of investment	Risks	Benefits
	and small businesses to operate in a positive environment that supports them as they develop and grow. Due to the nature of such businesses incubator units are unlikely to provide significant financial returns but instead over time contribute to the development of a vibrant local business community.	<ol style="list-style-type: none"> <li>3. High turnover leading to low rental yield and high refit costs.</li> <li>4. Short term leases/licences</li> </ol>	<ol style="list-style-type: none"> <li>1. exceeding financing and operating costs.</li> <li>2. Enhanced number of successful business start-ups.</li> <li>3. Potential external funding via Growth Deal and SUDs</li> <li>4. Businesses retained in Borough feeding into larger units.</li> <li>5. Enhanced employment opportunities.</li> </ol>
<i>Commercial Loans e.g. Funding Circle £0.5m allocation;, NCCC £2.6m of loans</i>	By providing funding for local businesses the Council will help to develop and maintain the local economy maintaining and enhancing employment choices for residents.	<ol style="list-style-type: none"> <li>1. Bad Debt, risk heightened where Council is sole / major funder or lender of last resort.</li> <li>2. Repayments below Council borrowing costs – mitigated through fixing borrowing and lending rates at beginning of loan.</li> <li>3. Investment maintaining poor quality service providers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Positive cashflow generated that repayments set above borrowing costs incurred by the Council.</li> <li>2. Businesses retained in Borough.</li> <li>3. Increased visitor numbers and spend (NCCC loans).</li> <li>4. Enhanced employment opportunities.</li> </ol>
<i>Residential Property e.g. Caretakers Bungalow £0.15m</i>	Intervention in the housing market could provide an opportunity to unblock developments, deliver affordable housing or enable the council to diversify its income streams through the direct or indirect letting of property on a commercial basis.	<ol style="list-style-type: none"> <li>1. Bad debt.</li> <li>2. Legislative change impacting on ability to operate in market.</li> <li>3. Requirement to engage development partner</li> <li>4. Right to buy.</li> <li>5. Downturn in housing market.</li> </ol>	<ol style="list-style-type: none"> <li>1. Good capital and revenue returns on right developments.</li> <li>2. Maximising value of land holdings.</li> <li>3. Helping to address local housing needs.</li> </ol>
<i>Retail Units e.g. Walkers Yard £0.17m</i>	A balanced retail offer has clear community benefits including the potential to help drive regeneration.	<ol style="list-style-type: none"> <li>1. High risks of business failure for new and smaller retailers.</li> <li>2. Lack of potential</li> </ol>	<ol style="list-style-type: none"> <li>1. Unit rental costs exceeding financing and operating costs.</li> <li>2. Enhanced retail</li> </ol>

Category	Basis of investment	Risks	Benefits
	Purchasing or developing retail units could be a route to influencing the mix of shops in major centres of the Borough and be a way of helping to sustain local independent retailers.	tenants 3. Changing nature of provision making units unsuitable for future needs.	offer in key centres. 3. Enhanced number of successful business start-ups and SMEs.
<i>Development Land (potentially Abbey Road Depot £1m)</i>	The Council could purchase and improve sites prior to their disposal to other developers. This would provide some financial returns and may provide a mechanism through which the needs of more challenging sites could be met. Alternately desirable sites could be purchased and held until market requirements change.	1. Uncertainty of future receipts 2. Reliance on medium term market conditions. 3. Identification of suitable development partners. 4. Identifying an alternative site.	1. Difficult sites released. 2. Medium to long term capital receipts. 3. Potentially high capital receipts for low holding costs.
<i>Other Investments</i> – the Strategy will not be a bar to developing other commercial opportunities that would bring a financial and social value to the borough.			

### 3. **Balancing Risk and Reward**

- 3.1 Different investments will bring a different range of risks and types of return. There are potentially economic and social returns as well as pure financial returns. Most asset investment decisions will bring in a range of returns and dependent on their risks, this will dictate the prospective levels of investment.
- 3.2 The other ways in which risks will be managed will be by a rigorous and independent appraisal process to ensure there is appropriate diversification, a balanced portfolio and appropriate clarity of objectives. There therefore is an expectation that there will be a spread of investments.
- 3.3 The diagram below depicts potentially how the different classification of investments sits in a spectrum. So for example incubator units give a lower level of financial return, but a perceived higher level of social and economic return. These will be matched against the objectives of the growth objectives of the Borough. Each project will be measured on its own merits and as such may sit beyond the parameters shown in the diagram.



3.4 Taking into account the options available and their respective risks (in particular the financial return) the funding limits are detailed below. This includes a position statement against current investments. Note each scheme when appraised will have different risks and benefits.

Category	Economic Benefit	Financial Benefit	Exposure Limit	Current Investments	Investment Headroom
Industrial Units	Medium	Medium	£5m	£3.12m	£1.88m
Offices	Low	High	£4m	£2.56m	£1.44m
Incubator Units	High	Low	£1m	0	£1m
Commercial Loans	Medium	High	£3.5m	£1.06m	£2.44m
Residential	High	Medium	£3m	£0.19m	£2.81m
Retail	Medium	High	£2m	£0.22m	£1.78m
Development Land	High	Medium	£3m	£1.01m	£1.99m
Unique opportunities / flex			£1m	-	£1m
<b>Total</b>			<b>£22.5m</b>	<b>£8.16m</b>	<b>£14.34m</b>

3.5 The Capital Programme currently allows £10m for asset investment and £0.5m allotted to Funding Circle for business loans. If all limits were met (i.e. a

further £14.35m) the cap of £10m (plus £0.5m) would be breached. Unless there is further Council approval the overall limit cannot be exceeded. The individual limits are therefore for guidance.

- 3.6 It should be noted that there is £1m to allow for either exceptional circumstances (i.e. variation to the above limits could be applied) or for a scheme which does not meet any of the categories of investment hence classified above as 'unique opportunities'.
- 3.7 Going forward it is anticipated opportunities will be identified from a number of sources including:
- Market intelligence, including working with agents and all officers and members being aware of the intention of the Council to invest;
  - Constantly revisiting the current asset base;
  - Direct approaches with regards to either loans or property; and
  - Commission business cases - dependent on strategic need identified and sanctioned by members of the Executive Management team, the Strategic Growth Board or formally by Cabinet.

#### **4. Business Case Approval and Governance**

- 4.1 Any Business case in terms of the financial case will assume Public Works Loan Board (PWLB) borrowing and the costs of this to be assimilated within the business case itself. The appraisal should follow a similar format to that specified by the Council's Financial Regulations which currently applies to Capital schemes. This includes:
- How the project contributes to the Council's aims and objectives;
  - Anticipated outcomes; and
  - Capital and revenue costs, including the impact of funding.
- 4.2 The Governance process is detailed at Appendix A. The 2015/16-2020/21 Capital Programme has been approved with access to £10m. The Strategy strikes a balance so that 'fleet of foot' decisions can be taken with regards to committing the £10m to various projects (via a business appraisal process); and that there is necessary accountability through either individual Cabinet reports on the project or retrospective Cabinet endorsement via the normal budget monitoring process. The Council's standard governance processes prevail. The reporting to both Cabinet and the Corporate Governance Group, and ultimately changes to the Capital programme to full Council, ensures there are checks and balances in the decision making process.

#### **5. Risk Management**

- 5.1 As discussed at Section 2.2 there are a number of risks associated with capital investment. In broad terms the main risks are as follows:
- Capital and rental values can fall as well as rise;
  - Tenants can default;
  - Financing costs can rise (and fall);
  - The Council's position on reserves needs to be monitored, so they are adequate to manage any potential downturn in the property market or other adverse financial risks.

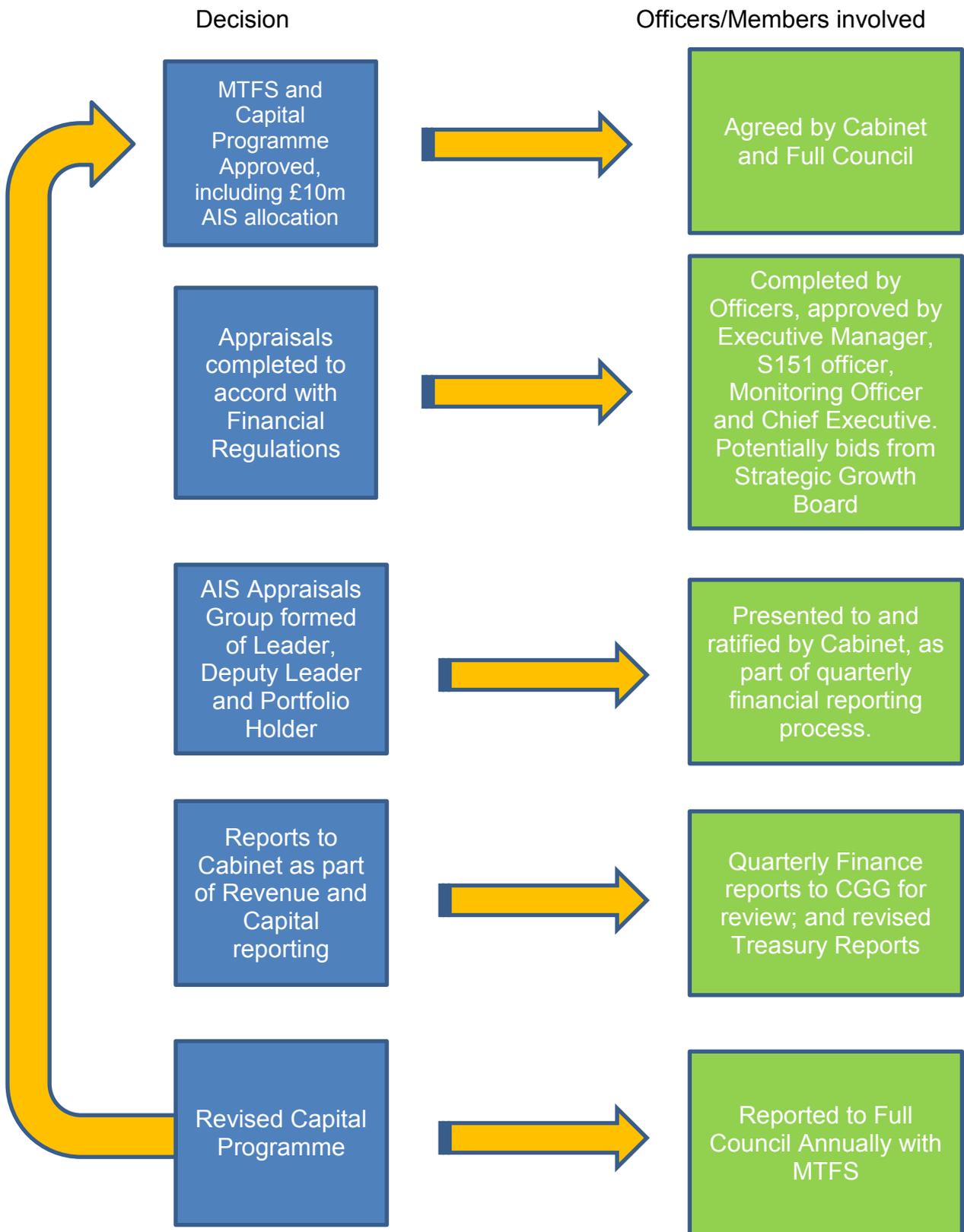
- The business appraisal process should ensure the risk of inappropriate projects being supported are minimised, and the project meets council corporate objectives; and
- A poor investment decision could lead to an increase in overheads and impact on the Council's reputation.

5.2 Risks will be balanced by portfolio diversification and balancing the security of property investments against financial return.

## **6. Conclusion**

6.1 The strategy details the criteria required for future asset investment and the necessary supporting governance arrangements. Taking the correct property procurement decisions will help grow the Borough and ensure Corporate Objectives are met. It forms an important strand of the Council's Transformation agenda and enables a balanced budget to accord with the Council's Medium Term Financial Strategy.

**Governance Arrangements for Asset Investment Strategy (AIS)**



## Report of the Chief Executive

### Cabinet Portfolio Holder Councillor J E Cottee

#### 1. Summary

- 1.1 The Council's Corporate Strategy key objective of “maintaining and enhancing our residents’ quality of life” has a strategic task to “facilitate activities for children and young people to enable them to reach their potential”. A report considered by Cabinet on 8 September 2015 resolved to support the establishment of a Community Interest Company whilst also actively pursuing alternative partnership arrangements to further develop the YouNG brand. Since that decision, the development of the YouNG brand has continued and we have been successful in securing European funding to expand the entrepreneurial development of the market concept. This has involved young people from both Rushcliffe and Gedling schools. In addition, the resource base has been maintained and is currently being supported through a partnership with Nottingham Trent University, which has enabled two interns to be secured until September 2017.
- 1.2 Despite some significant progress and achievements, the objective of establishing YouNG as a Community Interest Company has been difficult to achieve.
- 1.3 There has also been a sustained period focussing upon the development of a refreshed skills strategy and funding routes by the D2N2 Local Enterprise Partnership (LEP). There have been calls through the Economic Prosperity Committee, Local Enterprise Partnership and Government departments, including the Department for Education, to address the urgent requirement for a stepped change in respect of workability skills and careers advice along with improving the connection between young people, schools and business.
- 1.4 By working with the D2N2 LEP, Rushcliffe has led the establishment of a new company (Careers Enterprise Company) within Rushcliffe, Newark & Sherwood, Gedling and Broxtowe schools. This activity has been recently delivered by working with a local business (NGi (UK) Ltd), and is currently being successful in establishing stronger links with schools whilst assisting in identifying how YouNG could potentially become a recognised delivery provider.
- 1.5 To assist Rushcliffe Borough Council in determining its future commitment and involvement within this important but complex area, an independent evidence based report was commissioned to evaluate the role of YouNG, and in particular its achievements, current objectives, and future potential.

- 1.6 Therefore, the purpose of this report is to share the findings of the independent study, recently received from Internet Guru, whilst recommending the necessary steps to further evaluate and consider the report's findings, review the current strategic priority, and the future commitment and involvement in supporting the development of employability skills for local, regional and national employers through the utilisation of the YouNG brand.

## **2. Recommendation**

It is recommended that Cabinet:

- a) requests that the Community Development Group evaluate and scrutinise the findings contained in the report received from Internet Guru.
- b) upon completion of the work by the Community Development Group, receives a further report detailing the future plan for the continuation, or otherwise, of YouNG.

## **3. Reasons for Recommendation**

- 3.1 Following the launch of YouNG, as part of Rushcliffe Borough Council's Olympic legacy, the programme has consolidated an ongoing partnership with the seven secondary schools. Since the report presented in September 2015, YouNG has continued to successfully deliver the YouNG ambassadors programme, whilst also establishing a growing reputation and popularity with the YouNG market concept.
- 3.2 Discussions with potential external partners have resulted in a growing engagement with Gedling Borough Council, D2N2 LEP and Nottingham Trent University. Though the successful engagement and input from (NGi (UK) Ltd), the YouNG market concept has also successfully attracted and secured European funding (€101k over three years). This is currently delivering a programme which shares learning and experiences in three European countries (Italy, Poland and Slovakia).
- 3.3 It was previously resolved that YouNG should attempt to expand beyond the Rushcliffe boundary, ideally through the establishment of a Community Interest Company. Initially, discussions centred upon developing a partnership with Nottingham Futures. As a result, the early adoption of the development of the local delivery of the Careers Enterprise Company within Rushcliffe, Gedling, Broxtowe and Newark & Sherwood was secured through the secondment of an employee from Futures. However, it became clear that the objectives of the two organisations were being driven by different priorities and it was mutually agreed not to renew the secondment.
- 3.4 There has been a continued drive by government through the D2N2 LEP to establish better career guidance within schools. As a result, Rushcliffe has continued to take the lead in supporting the setting up and development of the emerging Careers Enterprise Company. This has been continued by engaging the services of NGi (UK) Ltd. Their work through the LEP has increasingly provided the opportunity to understand and establish how the objectives of the YouNG brand could be incorporated beyond the immediate Rushcliffe area.

- 3.5 However, it had become increasingly apparent that after four years and despite the foresight and initiative generated through the YouNG brand, that it was timely to take stock and evaluate the successes, future options and appropriateness of YouNG within the broader context of the employability skills and work readiness agenda.
- 3.6 Therefore, the services of a local independent company (Internet Guru) were procured to undertake research and provide a report detailing the outcomes of YouNG, its current weaknesses and the potential options for the future. A full copy of the report recently received is attached (**Appendix A**).
- 3.7 The report identifies and confirms that although there are significant successes to recognise, due to the current challenging environment, the strategy and objectives of the YouNG brand have become confused.
- 3.8 The report also suggests that the YouNG activity to date has illuminated a clearly defined need which is not being fully addressed, and that there are elements of the current YouNG offer that really make a difference.
- 3.9 However, to enable the YouNG model to evolve, the elements of leadership, continuity, sustainability and increasing reach must be addressed, along with a clear plan of how the Council could relinquish its leadership role over time. To achieve this, it is likely that continued investment would be required in the short term.
- 3.10 It will, therefore, be necessary to fully understand the impact of the findings within the framework of the current commitments of YouNG, and the current financial parameters, commitments and challenges within the medium term financial strategy and the corporate objectives set by the Council.
- 3.11 To achieve this understanding, it is recommended that the report be scrutinised and considered by the Community Development Group prior to a further report being presented back to Cabinet to decide upon any future resource allocations beyond the 2017/2018 budget requirements.

#### **4. Other Options Considered**

- 4.1 The report received from Internet Guru includes the options of YouNG continuing in its current form, developing beyond its current remit, and being disbanded (exit). These are detailed in section 6.1 of the report.

#### **5. Risk and Uncertainties**

- 5.1 The key risk to the existing mechanism of delivering the YouNG project as currently constructed is the continuing reduction in resources. The risk of sustainability relies upon expansion, income generation and a business approach.
- 5.2 This accompanying report identifies how these risks can be mitigated and controlled, whilst also making suggestions about how to pursue expansion. It is therefore recommended that the report produced by Internet Guru is considered by the Community Development Group prior to a further report

being presented to Cabinet prior to making a decision to discontinue, maintain or develop the YouNG brand and format.

## **6. Implications**

### **6.1 Finance**

6.1.1 The report identifies the costs currently being attributed to YouNG and shows a total cost for 2015/16 as £89,699. The net cost after deducting income from other partners is currently £70,917.

6.1.2 The net budget for 2016/17 is proposed as £72,870. Costs associated with the delivery of the European programme will be met from the specific grant of €101k over three years.

6.1.3 The net budget allocation from 2017/18 onwards is £85,200 however, it has been suggested that an incremental and increased investment may be required totalling around £29,000 over a three year period. It is therefore important that these figures are scrutinised and understood, along with determining if alternative investment or income could be secured through the emerging funding streams being made available via the LEP, Careers Enterprise Company and the new apprenticeship levy arrangements.

### **6.2 Legal**

6.2.1 There are no direct implications contained within this report.

### **6.3 Corporate Priorities**

6.3.1 Supporting economic growth to ensure a sustainable, prosperous and thriving local economy.

6.3.2 Maintaining and enhancing our residents' quality of life.

6.3.3 Transforming the Council to enable the delivery of efficient high quality services.

### **6.4 Other Implications**

6.4.1 YouNG work actively to promote equal opportunities in all aspects of service delivery.

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<b>Background papers Available for Inspection:</b>	Report to the Community Development Group 17 March 2015  Report to Cabinet 8 September 2015
<b>List of appendices (if any):</b>	Future for YouNG Report December 2016



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Future for  
**Young**<sup>®</sup>  
FOR YOUNG • BY YOUNG • BE YOUNG

Report

December 2016

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### Introduction

- YouNG is a **career discovery** initiative owned by Rushcliffe Borough Council (RBC) and designed by young people for young people. It consists of a yearly intake of interns and apprentices along with ambassadors from participating schools, and provides a number of self-driven hands on experiences e.g. the markets.
- The pilot has successfully developed the career discovery concept for young people, adopting best practice in delivering hands on work experience. All Rushcliffe schools have been involved and there have been 24 ambassadors, 110 market stallholders and more than 100 work placements. YouNG has had significant real impact.

### Analysis

- As well as development of the concept, there have been substantial outcomes in terms of positive perceptions of YouNG, closer relationships with the education and business communities, a greater understanding of the needs, insight into what works, and YouNG has helped prompt dialogue with other relevant agencies. Due to the recognised impact of YouNG, the benefits are now being assessed independently.
- One of the key strategic tasks for RBC is "To facilitate activities for children and young people to enable them to reach their potential." YouNG is both a close fit with this task and with the strategic aims of the Local Enterprise Partnership for Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2 LEP) for employability. RBC currently undertakes a leadership/ delivery role rather than a facilitation one.
- In both the district and the wider Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) region, the work experience, careers and employment interventions with young people, are variable and overlapping with patchy coverage, which results in complexity and confusion. Both the Careers Enterprise Company (CEC) and the D2N2 LEP are addressing these challenges through coordinating the offer and establishing a route of best practice and support. This recognises the need to move away from only providing information, advice and guidance, to a more experiential approach including employer encounters. The complimentary elements of fostering empowerment and personal responsibility, which YouNG offers, are being provided by a few agencies with limited reach. As yet, the initiatives are not delivering the quality of work-ready young people required by local businesses.

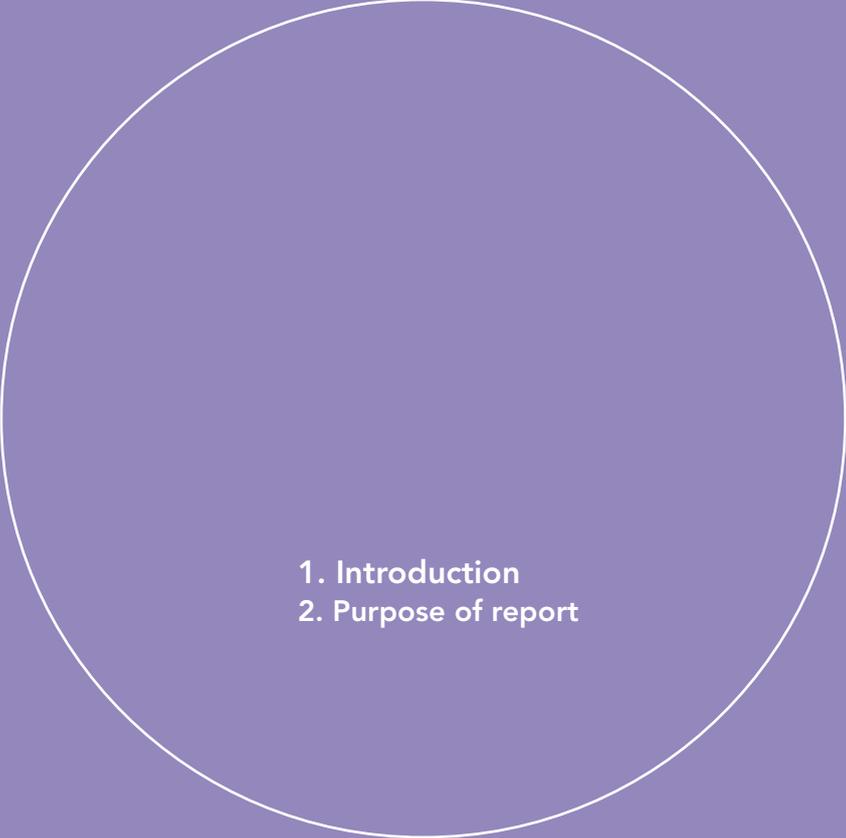
### Career Discovery

is empowering the individual to find out for themselves:

- What they want and how to achieve it
- Their own preferences, interests, qualities and characteristics and how best to develop themselves
- What's out there and how to meet the requirements

### Future for YouNG

- Through the learnings from the last 4 years of YouNG and the research around employability skills, The Future for YouNG project has illuminated a clearly defined need, which is not being fully addressed, for an inside-out experiential approach to enable young people to be empowered to self-direct their own career journey from an early age. This need is a close fit to the RBC strategic task and is particularly apparent for those entering local employment after school and those dropping out of undergraduate degree courses.
- YouNG is not operating in isolation. RBC is already taking a leadership role with the Enterprise Adviser initiative across a number of boroughs, and the YouNG activities are an excellent complimentary offer.
- On a wider landscape, whilst YouNG is already a close fit with the regional strategic aims of the D2N2 LEP and CEC, it is in a good position to capitalise on its learnings and achievements to further develop its offer to match these aims.
- The elements of the YouNG offer that really make a difference and fit with the need and strategic aims, are the 'by young people for young people' ethos, and the experiential opportunities delivered via the intern and ambassador roles, the 'markets' and apprenticeships. The YouNG model could be evolved to more closely address the need and strategic aims by:
  - o Starting career discovery at an earlier age
  - o Engaging all students in a cohort regularly
  - o Focusing on empowerment and taking responsibility for their own lives
  - o Providing support to identify what they want and to navigate routes to get there
- The YouNG programme has the techniques and infrastructure to enable it to test and develop this in the short term, through refocusing the roles of the ambassadors and team. To enable the YouNG model to evolve: leadership; continuity; sustainability; and increasing reach must be addressed, along with the council relinquishing its leadership role over time. In order to achieve this as well as build on and exploit the success of YouNG, investment will be required.
- A larger scale all encompassing regional solution is being driven by D2N2 LEP and CEC which aims to both enable young people to achieve their potential and provide the work ready employees and entrepreneurs required for the local economy. YouNG provides RBC with an option to more fully participate in the future solution, and the short-term development will help to strengthen its position.

- 
1. Introduction
  2. Purpose of report

# 1. Introduction

This independent 'Future for YouNG' report is the result of the 'Future for YouNG' strategic review commissioned by RBC and conducted by Internet Guru Ltd (IG).

In September 2012 a new pilot, YouNG, was launched by RBC as part of its key strategic task "To facilitate activities for children and young people to enable them to reach their potential." In recent years it has partnered with Gedling Borough Council. YouNG is a career discovery initiative designed by young people for young people. It consists of a team of interns and apprentices along with ambassadors from participating schools. The offer incorporates different elements, including:

- **Team** - providing hands on work experience for the team of interns, apprentices and ambassadors.
- **Markets** - physical places for students to develop their enterprise skills, trade their businesses and performance opportunities for young musicians.
- **Placements** - work experience placements during holiday periods for year 10 school students.
- **Projects** - projects which are identified, devised and delivered by ambassadors
- A website produced by the team, which provides a platform for the offer elements and communication for the different stakeholders – schools, businesses, students, parents.



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Fourteen schools across the 2 council areas have been represented. In Rushcliffe, 7 ambassadors have been selected each year representing each of the participating secondary schools, and they meet weekly. In Gedling, an existing Youth Council consisting of elected unpaid students is used to support YouNG, who meet on a six weekly basis. The interns are recruited from local university sandwich courses and the apprentices are from local colleges, and their one-year contracts fit with their studies. The team is supported by key personnel from the relevant councils.

After four years of running the YouNG pilot, RBC wanted to take stock and review the future options in the broader context of employability skills and work readiness, with the aim of a sustainable independently funded brand, which has a substantial impact on enabling young people to reach their potential in Rushcliffe and beyond.

IG has been commissioned to undertake this review independently from RBC. The approach has been to assess the learnings from the pilot and identify potential future options for YouNG through external research, interviewing and engaging a wide range of stakeholders. These include both those directly involved in the initiative, as well as experts and leaders in the areas of employability skills and career guidance. IG has extensive relevant experience, in the hands on delivery of career development for young people, conducting strategic reviews and the funding of social enterprise.

57 people interviewed covering chief executives, managers, students. Cross section across RBC, schools, private sector, external agencies e.g. NGi Ltd, ideas4careers, regional influencers D2N2 LEP, CEC, Nottingham Trent University (NTU), Nottinghamshire County Council (NCC).

## 2. Purpose of this report

The purpose of this report is to enable Rushcliffe Borough Council to:

- Understand to what extent the YouNG pilot has met its original aim
- Learn what works and doesn't work in the arena of employability skills for young people starting work, i.e. work readiness
- Understand the future viability of YouNG
- Reach an agreement on the way forward

**This report makes a recommendation to develop YouNG, and proposes a plan for how to deliver this.**

- 
3. YouNG Pilot learnings
  4. Employability skills
  5. Employability skills need

### 3. YouNG Pilot 2012 to 2016. Learnings



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Gatsby recommends encounters with young ambassadors:

“ Employers and further and higher education institutes should investigate the potential for greatly expanding existing programmes for sending young ambassadors into schools from apprenticeships, colleges and universities.”

“YouNG has improved my confidence and helped me develop organisational skills.”

“ I developed my communication and presentation skills. I now find it much easier to talk to people I've not talked to before.”

“I found out about and thought about careers I hadn't thought about before.”

The pilot has successfully developed the career discovery concept for young people, adopting best practice in delivering hands on work experience. All Rushcliffe schools have been involved and there have been 24 ambassadors, 110 market stallholders and more than 100 work placements. YouNG has had significant real impact.

As well as development of the concept, there have been substantial outcomes in terms of positive perceptions of YouNG, closer relationships with the education and business communities, a greater understanding of the needs, insight into what works, and YouNG has helped prompt dialogue with other relevant agencies.

#### 3.1 Achievements from YouNG pilot

YouNG has achieved a considerable amount during the 4-year pilot. It has developed a successful process which has had significant impact on those individuals directly involved and punched above its weight in terms of profile and recognition amongst key stakeholders in the region. Many of the organisations involved perceive YouNG has been beneficial and is engaging with the important issue of young people's employability.

#### Process and activities

As recommended in the Gatsby report, the 'by young people for young people' ethos provides relevance to the participants and has helped forge strong positive working relationships, especially between interns, apprentices and the ambassadors.

The process of employing a team of young people (the interns, apprentices and the ambassadors) provides hands on work experience for those individuals, which they have recognised as having a significant impact on them in terms of skill development, employability and long term aspiration. Over the four years there have been 24 ambassadors and 7 interns / apprentices.

The Markets, engages young people in learning by doing something real, and provides a great enterprise learning opportunity as well as experiential soft skill development. Predominately business studies students and musicians/ singers have actively benefited from the Markets experience - 110 students. The standard of the Markets has improved and it has had a successful test in Rome via the Erasmus project.

Work experience placements for young people during school holidays have encouraged self-empowerment and provided additional experiential opportunities - more than 100 work placements.

The 'by young people for young people' process is valued and provides relevance and credibility for those young people involved.

The extra-curricular, out-of-hours approach makes delivery easier for the school, in terms of fewer restrictions and teachers not being over burdened. Conducting the strategic review demonstrates a culture of learning.

### 3. YouNG Pilot 2012 to 2016. Learnings Continued

#### Profile

YouNG has developed tremendous goodwill amongst all stakeholders. The brand has a positive profile, with a track record, good reputation, high visibility and a strong network.

YouNG has tangible support from Nottingham Trent University (NTU), not only in assisting the recruitment of interns, but also in terms of match funding the cost of interns. Gedling Borough council has also participated positively in the programme.

International activities through the Erasmus project have already engaged and impressed European partners.

As a pilot, YouNG has taken new and fresh approaches and has been seen as a catalyst for new ways of thinking.

It has been widely recognised that the success of YouNG is in no small part due to the positive and passionate support of key RBC personnel, who provide vision, commercial mindset, motivation and enthusiasm, often going above and beyond their day job.

#### Adding value

The Markets project is valued by schools, builds trust and relationships and is already used as a vehicle for GCSE Business Studies course-work.

The interns and ambassadors directly involved in YouNG have expressed a number of ways in which it has made a real impact in their skills and achievements and helped them develop beyond education. This includes development of employment skills and attributes, social media, career awareness, work readiness, relating to the outside world, and self-confidence. They believe they are more employable as a result, and for some it has directly led to employment. The programme provides links and forges relationships between government, education and business. Schools have cited they benefit from raising their profile in the area with more opportunities to engage with the community. The Local Authority provenance is a trusted route into schools and communities and its reach has been extended through YouNG. RBC is seen to be doing something positive for employability and young people locally, which has helped it be selected as a suitable partner with NGi Ltd. for delivering the D2N2 LEP employability framework through CEC, including extra curricular programmes.

#### 3.2 Identified issues from YouNG pilot

As a pilot, YouNG has been learning by doing and tested many ideas along the way. If YouNG is to go forward, the key issues to address are agreeing and defining the strategic focus, strengthening the offer, dedicated leadership, perceived limited benefit and independence from RBC in the long term.

#### Strategic focus

The vision and strategy has evolved during the pilot in an organic way, reacting to choices and opportunities that arose, without the benefit of long term certainty. Hence the offer lacks focus, which manifests itself in several ways:

- There is currently a limited and confused perception externally of what YouNG is
- There are several disparate offers – the markets, the ambassadors, the interns, work experience and links to commerce and these many strands lead to a lack of focus, clarity and simplicity.



### 3. YouNG Pilot 2012 to 2016. Learnings Continued

- The pilot has tended to be distracted by new ideas and opportunities which has further confused the offer e.g. ambassador-led projects, applying for funding
- It has not been made explicitly clear what problem YouNG is trying to solve
- Some stakeholders believe they do not clearly understand the YouNG strategy, whilst they are nevertheless able to articulate what YouNG is doing and why.
- Some of the activities overlap and compete with other providers making it difficult for YouNG to be heard or recognised e.g. businesses are overwhelmed with agency approaches for work placements.
- For schools, YouNG is solving some problems around the edges, however it is not currently achieving a role at the centre of their careers and employability skills programme. This creates a barrier to engagement within schools.
- There has been an organic development of projects and tendency to chase where the money is coming from.

#### Lack of dedicated leadership

There is not a dedicated ongoing leader of the initiative, which along with annual contracts for interns, apprentices and ambassadors causes inefficiency, variable performance, and reduced impact:

- Yearly churn of team causes ongoing continuity problems – causing inertia, re-establishing systems and processes.
- Difficult to drive long-term partnerships and build relationships, in spite of putting considerable effort into cultivating opportunities.
- Development of the project is hampered by the difficulty in progressing changes and extracting learnings over the longer term.
- Not pin-pointing key points of the year and building around those e.g. employers needs, exam results panic times, recruitment timing of interns & apprentices.
- Inconsistent communication for stakeholders not directly engaged, often not knowing what is happening when.
- Lack of direction and dedicated support for interns and apprentices who are relatively inexperienced, leading to variable experience and performance, as manifested by some of the problems encountered:
  - o Some students and parents have complained that the on-line work placements facility was not ready and then was not easy to use, with the descriptions not targeting or engaging the students.
  - o Communication problems with schools/ students not feeling informed about what is happening.
  - o Inadequate line management support and supervision experienced.
  - o Some have expressed poor response to requests for guidance.
  - o Fluctuations from year to year and lack of continuity across all stakeholders, businesses, schools, partners as well at the YouNG team.



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### 3. YouNG Pilot 2012 to 2016. Learnings Continued

“Other students are not getting all the benefits the ambassadors are.”

“The website appears to be an adult’s perception of a child’s needs.”



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#### Limited benefit

There is uncertainty about the relative benefit of the programme; this is partly driven by the shortfall in measuring and reporting by YouNG and partly by the type and number of beneficiaries reached.

- Evidence of impact is not routinely measured and reported back.
- Limited reporting of the outcomes of events and activities.
- The interns and ambassadors are the main beneficiaries, who are perceived to do well anyway
- Low uptake on work experience provision
- Work placements predominantly in the public sector
- Main participants in markets are business studies students
- The majority of students in the Year 10 of participating schools are not engaged or involved. The main focus to date has been on ambassador recruitment, and for most it is too late to start, when their appetite for engagement will have already diminished.
- There are certain areas YouNG are not qualified to offer e.g. young people providing careers advice and mentoring.

#### Strengthening the Offer

There is room for improvement in a number of directions:

- Ensuring all individuals going on work placements are properly prepared and supported. Some businesses have been dissatisfied by the quality of the recruits.
- Amongst businesses there is low awareness of YouNG and the municipal connection is not a close fit with their Corporate Social Responsibility (CSR) agenda.
- The majority of students do not see YouNG as being for them. The key emphasis in schools is on the ambassadors, who can find it difficult to negotiate the school/life balance.
- In some quarters the brand is not considered cool or engaging.
- YouNG is perceived as inward looking and focussed on Rushcliffe
- Little integration with other service providers
- For teachers any initiatives are more work on top of an already overloaded agenda.
- Outside of the Rushcliffe area, it has been difficult to add value.

#### Independence from RBC

- The YouNG model is currently dependent on resources and leadership from RBC.

A Community Interest Company CIC

approach was proposed to create an independent sustainable commercially viable model.

A clearly defined and compelling commercial YouNG offer is required in order to attract and engage the partners necessary to make the CIC happen. A CIC with the right offer has a better chance of enabling RBC to transition to a facilitation role.

## 4. Employability skills

In both the district and the wider D2N2 region, the work experience, careers and employment interventions with young people, are variable and overlapping with patchy coverage, which results in complexity and confusion. Both the CEC and the D2N2 LEP are addressing these challenges through coordinating the offer and establishing a route of best practice and support. This recognises the need to move away from only providing information, advice and guidance, to a more experiential approach including employer encounters. The complimentary elements of fostering empowerment and personal responsibility, which YouNG offers, are being provided by a few agencies with limited reach. As yet, the initiatives are not delivering the quality of work-ready young people required by local businesses.

To understand the employability skills need in the context of YouNG, it is important to look what employability skills are, what works and doesn't work to develop them, and the landscape for this regional and national priority.

### 4.1 The relevance of employability skills for YouNG

#### What is relevant for young people entering employment?

D2N2 LEP: "Employability needs to be part of a coherent career development and work related programme in schools, delivered in partnership with education, employers, and careers professionals." January 2016

**Personal attributes** - The D2N2 LEP has delivered an Employability Skills framework aimed at young people, which has identified key personal attributes for **young people** to achieve their full potential: self motivated; self assured; aspirational; informed; experienced; achieving; accountable; resilient, entrepreneurial and cooperative.

**Attitude and aptitude** - "By far the most important factor employers weigh up when recruiting school and college leavers is their attitude to work (89%) followed by their aptitude for work (66%); these rank well ahead of formal qualifications (23%)" CBI skills survey 2016

**Employer engagement** - "For the 14-19 age group, employers believe a top priority for schools and colleges should be developing awareness of working life with support from businesses (42%)" CBI skills survey 2016

"D2N2 aim to ensure that every young person leaving school has at least 6 'purposeful and impact measured' employer interventions by the time they reach 16." D2N2 skills framework



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## 4. Employability skills Continued

**Markets** - physical places for students to develop their enterprise skills, trade their businesses and performance opportunities for young musicians.

**Placements** - Work experience placements during holiday periods for year 10 school students.

**Team** - Providing hands on work experience for the team of interns, apprentices and ambassadors

**Projects** - projects which are identified, devised and delivered by ambassadors.

### YouNG in the context of employability skills

In assessing YouNG's impact against the CBI defined employability skills, it is apparent that it provides excellent opportunities to develop these skills, especially in the markets and team elements.

CBI Defined Employability Skills	Potential impact of YouNG on employability skill development High, Medium, Low			
	Markets	Placements	Team	Projects
Self - Management	M	H	H	M
Team Working	H	L	H	M
Business & Customer Awareness	H	M	M	L
Problem Solving	M	L	M	L
Communication & Literacy	M	M	H	L
Application of Numeracy	M	M	M	L
Application of IT	L	H	H	M

YouNG is closely aligned to the goals of the D2N2 LEP Employability Framework, particularly around the personal and enterprise skills:

D2N2 Employability Framework Goals	YouNG level of alignment to goals. High, Medium, Low			
	Markets	Placements	Team	Projects
Self - motivated	H	H	H	H
Self - assured	M	M	H	M
Aspirational	H	M	M	M
Informed	M	H	M	L
Experienced	H	H	H	L
Achieving	L	L	M	L
Accountable	L	H	H	L
Resilient	M	M	M	M
Entrepreneurial	H	M	H	H
Cooperative	H	H	H	M
6 employer interventions	L	H	M	L



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## 4. Employability skills Continued



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D2N2 LEP, Careers Enterprise Company, National Careers Service, National Apprenticeship Service, Futures Advice, Skills & Employment Limited.

### 4.2 What works and doesn't work in the YouNG arena

#### 4.2.1 What works

**Start early and regularly** - Start regular interventions with young people from an early age, with access to role models from business and a focus on developing personal attributes and aspiration.

**Experiential** - Work experience for young people is proven to make a difference in attainment and is effective in developing employability skills. This needs considering in a wider context than the traditional week at work:

- o the YouNG markets are valuable in providing hands on experiential opportunities to develop a wider breadth of skills, especially self-confidence, communication, presentation, customer service and learning how to run a business.
- o Encountering employees and role models, including those close in age, who have real experience and knowledge, makes the learning much more real about the opportunities, what the roles are like and what employers require.

**Learning model** - Combining face-to-face support with actual and virtual activities and exercises, is a more powerful way to learn and build skills, than just providing information and advice.

**Empowerment** - The key building blocks for empowering individuals are self-esteem, self-management, pull learning and developing a growth mindset.

**Coordination and collaboration** - A coordinated collaborative approach between schools, employers, local government and other agencies enables schools to be guided to the most effective routes to meet their student needs.

#### 4.2.2 What doesn't work

**Push** - A push approach along the lines of traditional teaching methods of telling, advising and giving information leads to dependency, reduces self confidence, can provoke disengagement and ambivalence and thus results in false starts as they enter work.

**Competitive** - A competitive, free for all approach means that individual schools have to figure out for themselves what the needs for employability skills are for their students, and how to most effectively deliver it. There are numerous agencies providing many types of interventions for schools, which overlap, compete and do not provide the full gamut that is required. It is confusing for all stakeholders to know how to navigate.

### 4.3 Employability Skills Landscape

#### 4.3.1 Current Landscape

Across the D2N2 region there are 5 national regional resources and 26 organisations, that provide over 100 activities that help with employability skills, work experience and careers guidance.

The employability skills market is highly congested, with significant barriers to effective engagement and there is an ongoing shortfall in the outcomes for both employers and young people. Whilst it is not prudent or possible for an agency like YouNG to address the whole market, it has, nevertheless, developed to address some of the gaps that exist and which are not being met.

## 4. Employability skills Continued

Gatsby Benchmarks are:  
programme; learning; needs;  
link to curriculum; encounters;  
experiences, guidance

Gov.uk: "This Skills Plan is our  
ambitious framework to support  
young people and adults to  
secure a lifetime of sustained  
skilled employment and meet the  
needs of our growing and rapidly  
changing economy."

Employability Framework  
Actions:  
A1. Personal development  
courses and activities  
A2. Using local labour market  
intelligence  
A3. Job search, CV and interview  
workshops  
A4. Careers fairs and events  
A5. Personalised support and  
careers advice  
A6. Enterprise activities  
A7. Experiences of the work place  
A8. Conversations with  
employers and working people  
A9. Participating in Industry-  
sponsored competitions  
A10. Volunteering and other  
work experience



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### 4.3.2 Future Landscape

There will be an increasing need to address employability skills, and with work experience opportunities being addressed, the future gaps which YouNG are well positioned to address are in preparing for work experience and empowering young people to take ownership of their career journey from an early age.

There is an opportunity for RBC to help ensure the economic wellbeing of the area in the future, through addressing the soft skills of its young people.

The national strategies, like the [Gatsby](#) report on careers guidance and the [Gov.uk](#) Post 16 Skills Plan have informed the regional D2N2 strategies, and are addressing the need to put much more focus on employability skills development for students from an early age.

YouNG is well placed to align even more closely with CEC aims, by starting at an earlier age, introducing extra curricular activities, more focus on career support and direction:

CEC aims	YouNG fit with CEC aims High, Medium, Low	
	Current	Future potential
Make it relevant	M	H
Learn by doing	H	H
Start Young	M	H
Map journey	L	H
Think beyond the grade	H	H

The future for employability skills is being impacted by a number of factors:

**Global, national, regional** – Brexit will cause uncertainty for UK over the medium to long term, with an increasing focus on delivering home grown talent. There will be ongoing pressures on funding nationally and locally. [D2N2 LEP](#) is well positioned to coordinate an approach that will have greater and more consistent impact on the employability skills of young people.

**Changing workplace** – the rate of change is increasing, contracts are shortening, multi-skilled jobs are increasing, and there is a greater need for more proactive and creative approaches, all of which is driving the requirements for softer employability skills, in line with the D2N2 key goals. Globalisation and technology changes have already affected predominantly manufacturing, manual and clerical jobs. In the future these will increasingly affect skilled and professional roles. There is a greater need for young people to be adaptable, realistic and independent, so they are able to make the most of and create their own opportunities.

**Employer and education collaboration** – Employers and education are moving towards a common agenda, whereby employers are providing more encounters for young people at an earlier age, and schools are becoming more focussed on work readiness and will continue to develop the most effective ways of delivering it. On-line facilities are already being developed in the region to enable employers, schools and students to access opportunities, including work experience.

## 5. The employability skills need

Through the learnings from the last 4 years of YouNG (section 3), and the research around employability skills (section 4), 'The Future for YouNG' project has illuminated a clearly defined need, which is not being fully addressed, for an inside-out experiential approach to enable young people to be empowered to self-direct their own career journey from an early age. This need is a close fit to the RBC strategic task and is particularly apparent for those entering local employment after school and those dropping out of undergraduate degree courses.

The key problem which needs addressing is:

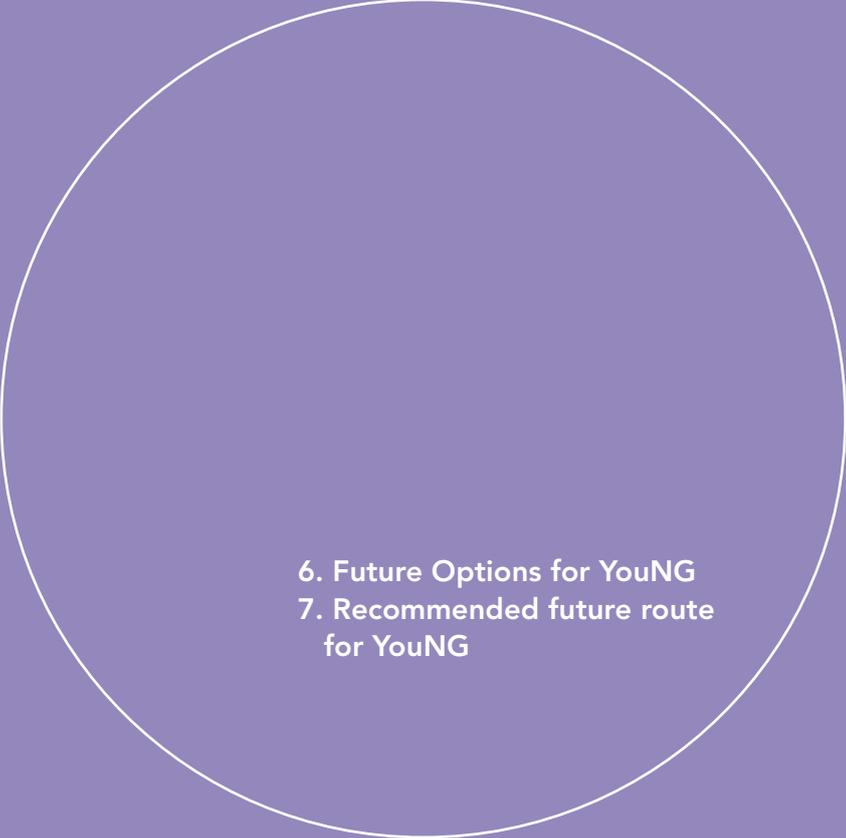
"Those students leaving education by the age 18 are not getting any support to develop their own ideas about what they want to do and the skills needed in employment, and therefore to realise their potential"

There are significant benefits to society of addressing the employability skills need and improving the outcomes for individuals, in terms of improving the economic well being, attracting people to the area, as well as the monetary benefits. Assessed from Price Waterhouse Cooper in the Gatsby report, the monetary lifetime benefits to the individual and the exchequer are as follows:

- Avoiding a NEET (Not In Education, Employment or Training) £56,000
- Acquiring apprenticeship level 2 £48,000 to £74,000
- Acquiring apprenticeship level 3 £77,000 to £117,000
- Acquiring a degree £108,000



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6. Future Options for YouNG  
7. Recommended future route  
for YouNG

## 6. Future Options for YouNG

### The employability skills solution

Enterprise Advisor initiative  
- Supports CEC aims. RBC partners with D2N2 LEP. NGi Ltd. delivering the programme. Extends to Newark & Sherwood, Gedling and Broxtowe. Builds a network of Enterprise Advisors from local businesses who support schools in developing their careers and employability strategies.  
24 advisers and schools by Aug 2017.

YouNG is not operating in isolation. RBC is already taking a leadership role with the [Enterprise Adviser initiative](#) across a number of boroughs, and the YouNG activities are an excellent complementary offer.

On a wider landscape whilst YouNG is already a close fit with the regional strategic aims of the D2N2 LEP and CEC, it is in a good position to capitalise on its learnings and achievements to further develop its offer to match these aims.

The elements of the YouNG offer that really make a difference and fit with the need and strategic aims, are the 'by young people for young people' ethos, and the experiential opportunities delivered via the intern and ambassador roles, the 'markets' and apprenticeships. The YouNG model could be evolved to more closely address the need and strategic aims by:

- o Starting career discovery at an earlier age
- o Engaging all students in a cohort regularly
- o Focusing on empowerment and taking responsibility for their own lives
- o Providing support to identify what they want and to navigate routes to get there

The potential options for YouNG going forward are to exit, continue in its current form, or develop beyond its current remit whilst addressing the issues identified in 3.2.



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## 6. Future Options for YouNG

### The employability skills solution

Continued

#### 6.1 The pros and cons of the potential routes for Young – Exit, Continue as is, Develop

Options	Pros	Cons
Exit	<ul style="list-style-type: none"> <li>• RBC save elements of the current budget going forward.</li> </ul>	<ul style="list-style-type: none"> <li>• Abandonment of supporting current strategic task</li> <li>• Reduction of impact for local young people receiving "real" work experience</li> <li>• Potential reputational damage with Parents, Schools and Local Business</li> <li>• Reduction in connectivity to the skills agenda with business and regional bodies</li> </ul>
Continue Young in current form	<ul style="list-style-type: none"> <li>• Continue to grow reputation with local schools</li> <li>• Continue to provide "limited real" work experience opportunities</li> <li>• Complete YouNG goes Europe project</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced option to generate income from local / regional partners</li> <li>• Ongoing Local Authority (LA) funding requirement resulting in long term dependency</li> <li>• Significant resource overhead from existing RBC Staff</li> <li>• Limited scope for delivery of wider participation beyond current ambassador and market concept.</li> </ul>
Develop Young Beyond current remit	<ul style="list-style-type: none"> <li>• Opportunity for RBC to demonstrate leadership and ownership of the future skills agenda</li> <li>• Opportunity to reduce financial dependency through a transition to an arm's length body</li> <li>• Potential to have greater reach, impact, whilst delivering better value for money.</li> <li>• Opportunity to secure funding from other sources</li> <li>• Opportunity to maximize outcomes from YouNG goes Europe project</li> <li>• Provides opportunity to influence the future options both local and regionally.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing RBC funding and time investment required until alternatives established</li> <li>• Risk of alternative investor / owner not materializing</li> <li>• Require RBC to become more arm's length.</li> </ul>



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## 6. Future Options for YouNG

### The employability skills solution

Continued



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#### 6.2 The recommended route for YouNG

The recommendation is for RBC to continue to support and fund Young at the current level of circa £100,000 per annum. Whilst the budget will increase as it develops and scales up, investments will be sought to reduce RBC costs in the long term.

YouNG to focus on career discovery from Year 7 and preparing for work for all students, rather than delivering the work experience itself. The offer will consist of 3 products:

- **The YouNG programme** – a career discovery programme that starts in Year 7, with 2 interventions a year, to build aspiration, self-confidence and motivation. Delivered by the YouNG team with support from school, parents and businesses – it keeps it real, relevant and action orientated.
- **The YouNG club** – extra curricular clubs run by the ambassadors, to engage students more regularly in developing their thoughts and passions. It will build on the YouNG programme.
- **The YouNG markets** – building on this highly successful concept, it will expand to 6 markets a year, to engage more people and allow for more effective business development.

#### 6.3 Key attributes of YouNG

The key elements of YouNG that make a difference and address the need are:

- 'By young people for young people' ethos makes it relevant
- Hands on experiential approach to all activities creates valuable development opportunities
- Team collaboration is a significant benefit for young individuals who are typically measured by their personal attainments.
- Individuals are empowered through self-directing what they do.
- The markets drive entrepreneurial skills
- The YouNG model is not specific to local schools and is applicable across a wider region, especially those areas with greater need than Rushcliffe.

#### 6.4 The areas YouNG is at a disadvantage

- Whilst the work placements are valuable hands on experiences, this is an increasingly competitive area, and YouNG is disadvantaged in developing the longer-term relationships needed.
- The model for work placements relies on a website delivery, where the skills and development required will be increasingly outside the scope of a small team.
- Providing careers mentoring, advice or guidance, is not something that young people are qualified to do.

#### 6.5 Recommended developments for YouNG

It is recommended that the organisation of YouNG is developed, the offer is more closely focussed and collaboration with other agencies is sought to deliver long-term impact and sustainability.

The organisational changes will drive sustainability and independency:

- Recruit a leader, to drive the strategy and development, coordinate and support the team, communicate to stakeholders and achieve a sustainable funding route
- Focus on putting systems and processes in place that improve the effectiveness of the yearly contracts, whilst allowing room for creativity and new ideas.

## 6. Future Options for YouNG

### The employability skills solution

Continued

- Put measurements in place that are congruent with the focussed offer and provide tangible evidence of impact.
- Change from a single paid ambassador per school to a team of unpaid ambassadors to impact more young people, and help them achieve more in their schools.

The YouNG offer can be adapted to focus and achieve more impact through the following steps:

- Development of 3 YouNG products – career discovery programme, clubs and markets
- Start career discovery at an earlier age – from Year 7
- Engage all students in a cohort regularly – 2 formal interventions a year, plus frequent extra curricular clubs
- Key aspects of the interventions are:
  - o Focus on empowerment and taking responsibility for their own lives through boosting self esteem and self-confidence.
  - o Provide support to individual students to help identify what they want and to navigate routes to get there.
  - o Make it person centred, fun, and active.
- Increase the number of markets to enable greater engagement and have more impact, both in the community and amongst the participants.
- The role of the ambassador will change towards engaging and supporting all students in their schools, e.g. YouNG clubs, YouNG career discovery programme, YouNG markets.
- To enable focus stop the following elements:
  - o Individual ambassador led projects
  - o The work placements programme

#### Consideration will also be given to:

- Use the experiences of those closer in age (the year ahead) to make it more relevant.
- Make the programme extra curricular, and find ways to engage greater numbers. Make it fun and exciting. Combine screen time with physical collaborative activities.
- Provide support and guidance for student led initiatives related to careers.
- Use technology to scale the content and make it more affordable to participate.
- Link up with other developing programmes e.g. the Enterprise Advisers can assess how the YouNG offer can help their school.



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## 7. Recommended future route for YouNG, forming part of a D2N2 Employability Skills Programme.

### 7.1 Employability Skills Programme.

The YouNG programme has the techniques and infrastructure to enable it to test and develop this in the short term, through refocusing the roles of the ambassadors and team. To enable the YouNG model to evolve: leadership; continuity; sustainability and increasing reach must be addressed, along with the council relinquishing its leadership role over time. In order to achieve this as well as build on and exploit the success of YouNG, investment will be required.

Building on the expertise and learnings of YouNG, the following plan is proposed to enable it to have the greatest long-term impact. Investment will be required in the short term, to develop the concept and substantially increase the reach and thus reduce the cost per beneficiary. To date the YouNG cost per beneficiary is £880, which will reduce to £250 in year 1 with potential to reduce further each year as it is rolled out.

A larger scale all encompassing regional solution is being driven by D2N2 LEP and CEC which aims to both enable young people to achieve their potential and provide the work ready employees and entrepreneurs required for the local economy. YouNG provides RBC with an option to more fully participate in the future solution, and the short-term development will help to strengthen its position.

### 7.2 Development plan

#### Year 1 - 2017/18

Build the infrastructure, pilot the YouNG Programme, test a YouNG club and grow the YouNG markets:

- Recruit a leader (3 days a week) to take over from the RBC roles, drive the development, support the team, put in place the infrastructure and build relationships.
- Recruit an intern and apprentice early in January/ February 2017 to start September 2017. The aim is be part funded and supported by NTU/ colleges. Their primary goal is to support the ambassadors and manage the organisation effectively.
- For September 2017 recruit a team of ambassadors per school. The individuals will not be paid. The team of ambassadors have a budget (£600 / yr/ school) to help deliver their aims in school. Their plans are approved by and the monies managed by YouNG.
- From September 2017 aim to run 6 markets in the year. At the same time ambassadors to encourage more participants in their schools in addition to business studies students.
- Pilot a self-discovery YouNG Programme - 2 workshops in 2 schools with Year 7 students from September 2017. Test the concept in the summer term. 4 interventions.
- Trial a YouNG club - extra curricular activity to support the programme,
- Recruit and train expert volunteers – parents and businesses to assist with the school YouNG programme and club.
- Engage and train the key schools contacts, so they can support and assist the activity.
- Put in place the measurements, collect evidence and report learnings.

In addition build relationships and collaborate with agencies across the region to support development of the employability skills goals.



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**7. Recommended future route for YouNG, forming part of a D2N2 Employability Skills Programme.**  
Continued

**Year 2 - 2018/19**

Build the YouNG programme and clubs, implement a year plan for recruitment/ interventions, and develop the transition:

- Expand from September 2018 – Year 7 and 8 in original 2 schools, plus Year 7 in 2 new schools = 12 interventions
- Implement YouNG clubs in all seven Rushcliffe schools
- 6 markets in the year, combining with YouNG clubs.
- Conduct a learning review from 1st year, produce report and communicate to all stakeholders.
- Implement a year plan to capitalise on the best time to recruit interns, apprentices and ambassadors.
- Develop and implement a handover, so that the new team can be effective from the start. Include key contacts from schools to assist in the smooth handover and support the new team.
- Develop and implement a communication plan to engage and inform stakeholders.
- Develop the transition plan for YouNG to be expanded across the region and with other programmes.

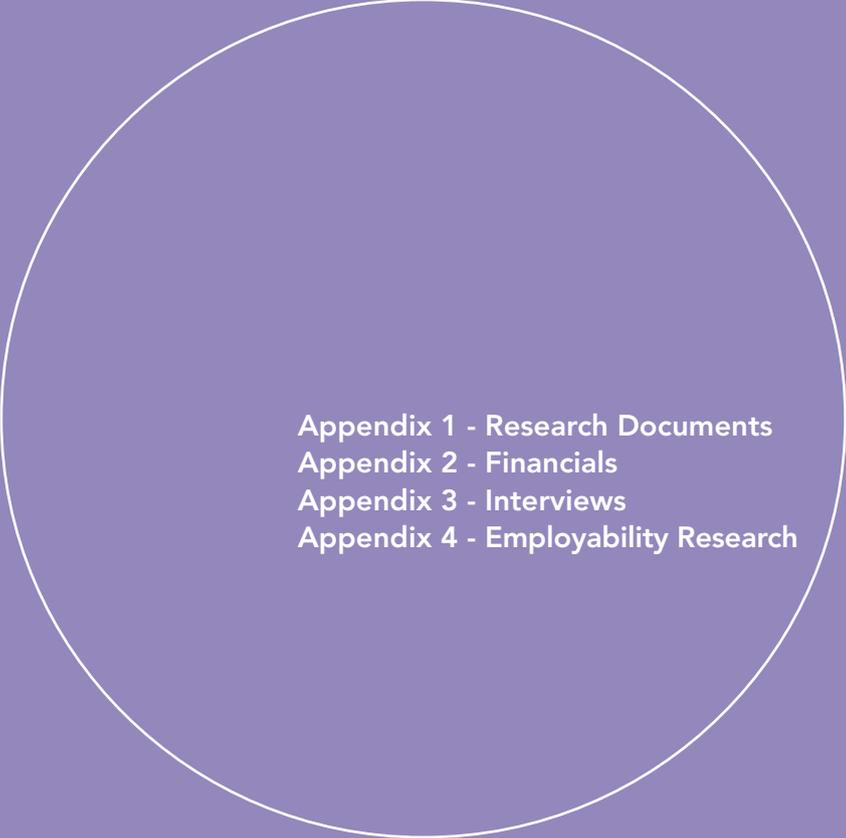
**Year 3 - 2018/19**

Implement fully in Rushcliffe and start transition:

- YouNG programme across all 7 schools – building year by year – 26 interventions
- 6 markets in the year linking with YouNG clubs
- Conduct learning review from Year2 and produce report for dissemination to stakeholders.
- Implement transition plan into a regional D2N2 employability skills programme



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**Appendix 1 - Research Documents**  
**Appendix 2 - Financials**  
**Appendix 3 - Interviews**  
**Appendix 4 - Employability Research**

1. CBI Education and Skills Survey 2016  
<http://www.cbi.org.uk/cbi-prod/assets/File/pdf/cbi-education-and-skills-survey2016.pdf>
2. British Chamber of Commerce  
Workforce survey 2014  
<http://www.britishchambers.org.uk/press-office/press-releases/young-people-need-more-support-to-make-transition-from-education-to-work,-says-bcc.html>
3. Developing the talents of the next generation  
<http://www.britishchambers.org.uk/BCC%20WORKFORCE%20SURVEY%20INFOGRAPHIC.jpg>
4. ACAS research paper 2012 – Young people entering work  
<http://www.acas.org.uk/media/pdf/5/2/Young-people-entering-work-a-review-of-the-research-accessible-version.pdf>
5. RBC Corporate Strategy 2016-2020  
<http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/councilanddemocracy/2016/march/3marchcouncil/Item%2010%20Corporate%20Strategy%202016%20-%202020.pdf>
6. D2N2 Employability Skills Framework January 2016  
[http://www.d2n2lep.org/write/Documents/D2N2\\_Employability\\_Framework\\_Booklet\\_A5.pdf](http://www.d2n2lep.org/write/Documents/D2N2_Employability_Framework_Booklet_A5.pdf)  
<http://www.d2n2lep.org/Skills/Employability-Framework/Toolkit>  
[https://eastmidlandschamber-my.sharepoint.com/personal/hannah\\_gamble\\_d2n2lep\\_org/\\_layouts/15/WopiFrame.aspx?guestaccesstoken=LVqYg1vXcx%2fXi109M8Bf7ACJHPVf9h%2bJF%2bn5h9qq5k%3d&docid=0644ab403e8e94c159c9fb5221f9dbd08&action=view](https://eastmidlandschamber-my.sharepoint.com/personal/hannah_gamble_d2n2lep_org/_layouts/15/WopiFrame.aspx?guestaccesstoken=LVqYg1vXcx%2fXi109M8Bf7ACJHPVf9h%2bJF%2bn5h9qq5k%3d&docid=0644ab403e8e94c159c9fb5221f9dbd08&action=view)
7. Gatsby  
Good career guidance <http://www.gatsby.org.uk/education/programmes/good-career-guidance>
8. Government plans - Post 16 skills plan [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/536043/Post-16\\_Skills\\_Plan.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/536043/Post-16_Skills_Plan.pdf)
9. My world of work <https://www.myworldofwork.co.uk/my-career-options/filter/all/all>
10. What works in enhancing social and emotional skills for young people  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/411492/What\\_works\\_in\\_enhancing\\_social\\_and\\_emotional\\_skills\\_development\\_during\\_childhood\\_and\\_adolescence.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/411492/What_works_in_enhancing_social_and_emotional_skills_development_during_childhood_and_adolescence.pdf)
11. Act Centre of excellence [http://www.actforyouth.net/youth\\_development/professionals/sel/self-management.cfm](http://www.actforyouth.net/youth_development/professionals/sel/self-management.cfm)  
[http://www.actforyouth.net/resources/rf/rf\\_mindset\\_0316.pdf](http://www.actforyouth.net/resources/rf/rf_mindset_0316.pdf)
12. Mindtools <https://www.mindtools.com/blog/corporate/2015/12/04/push-versus-pull-learning/>
13. Biz library <http://www.bizlibrary.com/article/employee-training-strategy/>
14. Department for Education & Skills – Work Experience <https://hr.dept.shef.ac.uk/guidance/Students.pdf>
15. Blueprint employability skills research [http://microsites2.segfl.org.uk/library/1324395608/blueprint\\_employability\\_skills\\_research.pdf](http://microsites2.segfl.org.uk/library/1324395608/blueprint_employability_skills_research.pdf)



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## Appendix 2 Financials

YouNG programme costs	2015/16	2016/17	2017/18	2018/19	2019/20
Cost of leader (3 days@£50k FTE*)			34000	34000	34000
School budget (£600/school)			4200	4200	4200
Cost of ambassadors	4263	3093			
Cost of interns @£18k	18066	36938	18000	36000	36000
Cost of apprentices@ £10k	19007	9309	10000	10000	10000
Cost of time of RBC personnel	24371	19017	5000	5000	5000
Office and support costs @18%	11827	12304	12816	16056	16056
Markets	2368	510	6000	6000	6000
Events	3034	1701	3000	3000	3000
Other (training, professional fees, website)	6762	11616	10000	15000	20000
<b>Total Costs</b>	<b>89699</b>	<b>94488</b>	<b>103016</b>	<b>129256</b>	<b>134256</b>
Income	-18782	-21618	-10000	-20000	-20000
Net Cost to RBC	70917	72870	93016	109256	114256
No of beneficiaries			400	1100	2300
cost per beneficiary		880	258	118	58

### Assumptions:

- Leader working part time 3 days per week @ Full Time Equivalent \* £50,000 / yr
- Ambassadors are not paid. The group of ambassadors per school have a budget of £600/yr to cover costs
- Cost of Interns £18,000/yr. Cost of apprentices £10,000/yr
- All salary costs include pensions and NI
- Interns are part funded £10,000
- 6 markets run per year @ £1000/ market
- 3 events run per year @ £1000/ event
- Estimated beneficiary cost for 2016/17 based on average over 2012 to 2016, total £191k, total beneficiaries 217
- Number of beneficiaries based on overall average students/year across RBC schools



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Future for YouNG Consultation - Interviews Undertaken by Internet Guru

Name	Position	Engagement
<b>Employees/Stakeholders</b>		
Allen Graham	Chief Executive	Visionary of the company
Derek Hayden	YouNG Lead	Day to day management
Bill Orridge	YouNG Intern	Experience – benefits and needs of young people.
Matt Yorke	YouNG apprentice	Experience – benefits and needs of young people.
Laura Webb	YouNG Intern	Partner support requirements
Darlington Mumba	YouNG Intern	Understanding of the opportunity for company, personally and young people.
David Mitchell	Executive Manager Communities	
Alison Hall-Wright	Finance and Corporate Manager	Finance
Councillor Neil Clarke	MBE, Leader of the Council	Council vision and strategy.
Councillor Simon Robinson	Deputy Leader of the Council and Portfolio Holder Finance	Council vision and strategy.
Councillor John Cottee	Portfolio Holder Community and Leisure	Council vision and strategy.
Councillor Tina Combella	Chairman Community Development Group	Council vision and strategy.
<b>Partnership/External Business Supporters</b>		
Matt Chadder	Instinct Laboratory	Strategic links and partnerships
Graham Wood	NG-i	European project and Careers Enterprise Coordinator
David Drury	NG-i - Managing Director	Strategic links and partnerships
Justine Drury	Chanelling Positivity School	Market intelligence but also supporting vision led experience of transforming school



Future for YouNG Consultation - Interviews Undertaken by Internet Guru

Name	Position	Engagement
<b>Regional Influences</b>		
Paul Thompson	Careers & Enterprise Company	Regional Lead for Central & East – understanding of national drive for careers advice
Katrina Woodward	D2N2 LEP - Commissioning Manager	Ambition and opportunity within the sector and producer of skills.
David Ralph	D2N2 LEP - Chief Executive	Support and objective view
John Robinson	Gedling Borough Council	Chief Executive – partner and need to support Gedling
Anthony May	Nottinghamshire County Council – Chief Executive	Regional strategy and perspective
Stuart Cutforth	Chesterfield College – Principle and Chief Executive	Strategic perspective
Mike Carr	Pro VC for Enterprise and Employability – Nottingham Trent University	Strategic partner and regional perspective
John Yarham	Futures – Chief Executive	Potential strategic partner but organisation has own focus on needs and developing employment hub
Owen Harvey	Notts City Council	Skills & Employment Partnership Manager – City Council contract and lead for Inspire.
Julie Beresford	Gedling Economic Officer	Experience now being used and what they would advise
Michelle Taylor	Ideas4 careers	Agency/ provider and regional perspective
<b>Schools</b>		
Phil Crompton	Rushcliffe School – Executive Head	
Louise Caunt	South Notts Careers Advisor	
Dr Kaheen Khan	Career Advisor at Carlton Le Willows	
Fiona Farmer	Toot Hill Careers Advisor	
Rhonda Smith	East Leake Contact	
Virginia Arnone-Youlton	East Leake Academy Marketing	
Charlotte Blyth	Redhill Academy Careers Lead (4 schools)	
6 previous ambassadors	Schools in Rushcliffe	Experience and beneficiaries
7 current ambassadors	Schools in Rushcliffe	Experience and beneficiaries
4 students age 15	Chanelling Positivity	
2 students age 13/14	Carlton Le Willows School	
3 ex-pupils age 21-23	Rushcliffe school	Destinations – post school employment, apprenticeship, university



**Background information to employability section 4, including research on the market, current and future landscape, and developments already taking place.**

### 4.1 Description of employability skills

#### What are employability skills?

“A set of achievements, understandings and personal attributes that make individuals more likely to gain employment and to be successful in their chosen occupations.” Peter Knight & Mantz Yorke

“A set of attributes, skills and knowledge that all labour market participants should possess to ensure they have the capability of being effective in the workplace – to the benefit of themselves, their employer and the wider economy.” CBI

The CBI has identified that a positive attitude is the key foundation of employability. This can be summed up as a ‘can do’ approach; a readiness to take part and contribute; and openness to new ideas and a drive to make those ideas happen. The CBI has defined employability skills as:

- Self Management – readiness to accept responsibility, flexibility, resilience, self starting, appropriate assertiveness, time management, readiness to improve own performance based on feedback, reflective learning
- Team Working – respecting others, co-operating, negotiating/persuading, contributing to discussions, and awareness of interdependence with others
- Business and customer awareness – basic understanding of the key drivers for business success – including the importance of innovation and taking calculated risks – and the need to provide customer satisfaction and build customer loyalty
- Problem solving – analysing facts and situations and applying creative thinking to develop appropriate solutions
- Communication and literacy – application of literacy, ability to produce clear, structured written work and oral literacy, including listening and questioning
- Application of numeracy – manipulation of numbers, general mathematical awareness and its application to practical contexts (e.g. measuring, weighing, estimating and applying formulae)
- Application of information technology – basic IT skills, including familiarity with word processing, spread sheets, file management and use of internet search engines.

#### What is relevant for young people entering employment?

The D2N2 LEP has delivered an Employability Skills framework for young people “Employability needs to be part of a coherent career development and work related programme in schools, delivered in partnership with education, employers, and careers professionals.” January 2016

**Personal attributes** - The D2N2 employability skills framework has identified key personal attributes for young people to achieve their full potential: self motivated; self assured; aspirational; informed; experienced; achieving; accountable; resilient, entrepreneurial and cooperative.

“The school system is starting to put more emphasis on personal development, and this trend needs to be taken further.” CBI skills survey 2016



**Attitude and aptitude** – “By far the most important factor employers weigh up when recruiting school and college leavers is their attitude to work (89%) followed by their aptitude for work (66%); these rank well ahead of formal qualifications (23%)” CBI skills survey 2016

**Employer engagement** – “For the 14-19 age group, employers believe a top priority for schools and colleges should be developing awareness of working life with support from businesses (42%)” CBI skills survey 2016

Every young person leaving school in D2N2 to aim to have at least 6 ‘purposeful and impact measured’ employer interventions by the time they reach 16. D2N2 skills framework

### 4.2 What works and doesn’t work in the YouNG arena

#### 4.2.1 What works

##### Start early and regularly

Start regular interventions with young people from an early age, with access to role models and a focus on developing personal attributes and aspiration.

- Developing aspiration at an earlier age helps improve educational performance and enables a more focussed approach to seeking work.
- Introducing careers to primary age children needs to be carefully and subtly implemented.
- Regular engagement helps keep ideas top of mind, enables frequent review, and drives action.
- Interactions with businesses from an early age help bridge the gap from education into employment.
- Of businesses surveyed... “In the time up to age 14 businesses want to see schools helping young people develop general awareness of work through engagement with business (42%) and better careers advice (38%) There should be a focus in this phase on developing pupils’ core skills such as communication skills (38%), self-management (37%) and literacy and numeracy (35%)” CBI skills survey 2016
- Every young person leaving school in D2N2 to aim to have at least 6 ‘purposeful and impact measured’ employer interventions by the time they reach 16.

##### Experiential

Work experience for young people is proven to make a difference in attainment and is effective in developing employability skills.

The YouNG markets are valuable in providing a much wider breadth of opportunity to experience and develop relevant skills, especially self-confidence, communication, presentation, customer service and learning how to run a business.

Meeting people who have experience and knowledge i.e. employees and role models enables young people to find out what the opportunities are, what the roles are like and what employers require.

Hearing the first hand accounts of those close in age to them, has particular resonance and relevancy.

Combining face-to-face support with actual and virtual activities and exercises, provides more emphasis and enables more engagement.



“Work experience offers many benefits and opportunities. For students, it can enhance their knowledge and understanding and better prepare them for the world of work. For employers, it can provide the opportunity to help students develop an insight into the skills and attitudes required by business and to raise their awareness of career opportunities within the organisation visited.” Dept for Education & Skills – Work Experience

### Empowerment

Key building blocks for empowering individuals are self-esteem, self-management, pull learning and developing a growth mindset.

- **Self esteem and self confidence** -Boosting self-esteem and self-confidence are the first steps to career discovery. “Extensive developmental research indicates that the effective mastery of social and emotional skills supports the achievement of positive life outcomes, including good health and social wellbeing, educational attainment and employment and the avoidance of behavioural and social difficulties. There is also a substantive international evidence base which shows that these skills can be enhanced and positive outcomes achieved through the implementation of effective interventions for young people.” gov.uk report what works for young people
- **Self-management** is a key employability skill and is considered more important to address than work experience. “There should be emphasis on helping young people develop their self-management and personal behaviour (36%) and giving them more opportunities for work experience (24%)” CBI skills survey 2016

“The CBI define Self Management as a readiness to accept responsibility, flexibility, time management and a readiness to improve one’s own performance.” Schools to business

- **Growth mindset** - “Mindsets influence our goals, motivation, and achievement across many domains. Fortunately, they are not set in stone. Parents, teachers, and youth work professionals can all help children and adolescents see a setback as a learning opportunity rather than a sign that she or he is a failure. By helping youth develop growth mindsets, we can relieve their anxiety, set the stage for achievement, and help them enjoy the journey toward their goals.” Act for Youth Centre of Excellence
- **Pull learning** - A pull approach in learning is about empowering and supporting students to work out for themselves what they want and how to get there. This leads to more successful long-term outcomes. Extra curricular provides an opportunity for self-driven learning and ownership.

### Coordination and collaboration

A coordinated collaborative approach between schools, employers, local government and other agencies enables schools to be guided to the most effective routes to meet their student needs.



### 4.2.2 What doesn't work

#### Push

- A push approach of telling and advising, leads to a dependency, reduces self-confidence and motivation and can result in false starts as they start their career. It is a less effective approach for soft skills development.
- "When information is pushed, you tend to resist the experience and try to minimize your time and engagement with the process." Mindtools
- "The next generations coming into the workforce have very little patience for spoon-feeding, single-track instruction, and working alone. They increasingly need to learn and improve soft skills, which are better grasped through informal interaction, as compared to a classroom." Biz library
- Telling or pushing against ambivalence – "Don't tell me what to do!" is the rebellious message teens often send their parents.

#### Competitive

A competitive, free for all approach means that individual schools have to figure out for themselves what the needs for employability skills are for their students, and how to most effectively deliver it. There are numerous agencies providing many types of interventions for schools, which overlap, compete and do not provide the full gamut that is required. It is confusing for all stakeholders to know how to navigate.

### 4.3 Employability Skills Landscape

#### 4.3.1 Current Landscape

Across the D2N2 region there are 5 national regional sources and 26 organisations, that provide over 100 activities that help with employability skills, work experience and careers guidance. The employability skills market is highly congested, with significant barriers to effective engagement and there is an ongoing shortfall in the outcomes for both employers and young people. Whilst it is not possible for an agency like YouNG to address the whole market, it has, nevertheless, developed to address some of the gaps that exist and which are not being met.

#### Congested

The marketplace is currently perceived as competitive, congested and confusing, with gaps in meeting the needs of employability skills, especially in soft skills development and empowerment.

Work experience and careers advice are already being delivered. "Among employers with links to schools and colleges, the two most common forms of support are offering work experience placements (74%) and providing careers advice and talks (71%)" CBI survey 2015  
Businesses have limited time and resource to engage and are getting fatigued by too many approaches from different players, with different offers, that are confusing and overlap.



### Shortfall

Businesses continue to experience young people entering employment, as not being work ready. There is an ongoing shortfall in the work readiness of those entering employment, with insufficient emphasis on attitudes and aptitudes:

- 88% of businesses believe school leavers are unprepared for the world of work, in comparison to 54% of businesses that think graduates are unprepared for the workplace. British Chambers of Commerce (BCC) survey 2014
- More than half of businesses (57%) said a lack of soft skills, such as communication and team working, were reasons why young people were not 'work ready'. BCC survey 2014
- School and college is not equipping all young people with what they need to succeed: around half of businesses are not satisfied with school leavers' work experience (56%) and their skills in communication (50%), analysis (50%) and self-management (48%) CBI survey 2016
- The overwhelming majority of employers across the UK believe the quality of careers advice for young people is not good enough (by a balance of -79%) CBI survey 2016
- 'The Forgotten Half' by DEMOS, looks at the work opportunities of the 50% of young people who do not go to University. It found the educational offer for them to be not fit for purpose in a number of ways such as: lack of activities within school that build capabilities; lack of work related learning; poor business engagement; issues with advice and guidance and failings in the vocational offer.

### Barriers

Careers and employability continues to lack the right focus amongst many stakeholders, which leads to a misunderstanding of what the problem is and therefore what the solution should be:

- There is a focus on imparting short-term employability skills, rather than empowering students to discover for themselves the vision, attributes and actions they can take to be successful in life. Students often have an unrealistic view of how to achieve what they want – how they need to be, what they will be paid for and not paid for.
- "The biggest obstacles to extending and deepening business involvement are uncertainty over how to make work experience worthwhile (42%), lack of interest among schools or pupils (38%) and problems in fitting involvement with the school timetable (30%) "CBI skills survey 2016
- With an employment market transformed by technology, there is a fundamental mismatch between the traditional roles aspired to by parents and schools, and the real roles that are available.

There is still a prevailing societal view that empowering and enabling individuals is neither important nor particularly worthwhile.

- Parents and educators, especially in those areas which are relatively affluent, collude with the government in rewarding academic qualifications and remaining in education, ahead of alternative routes that are perceived as low status. This inevitably leads to a focus on the high flyers, with the rest going under the radar and lacking motivation. There are barriers in engaging young people, and new methods and approaches are required to empower young people to self manage their career journey:
- Young people are changing, with attention spans shortening, greater volume of distractions and more screen time, in an environment that is more rapidly changing.
- Disengagement as 'attitudes and practices which prevent young people from learning or gaining other benefits from school' and outlined some of the typical behaviours that constitute it e.g. not paying attention, failing to attend school and poor behaviour. CEC Disengagement mapping



- Schools have different configurations, staff contacts and communication methods, so it can be difficult to engage the wider school population and individual ambassadors can struggle to make an impact.
- For employability skills, some schools want to control the messages and limit access to students. It is not perceived as a potential route for extra-curricular activities.
- Currently the standard approach is for schools to employ career advice/ guidance staff, who do not have the resources or support to deliver new innovative ways of engaging and empowering young people in career discovery.
- There is a need for something new that grabs attention to engage and empower young people to own their own problems and encourage their world of discovery in a way that they understand or relate too.

### 4.3.2 Strategies

A lot of strategic work has been done in recent years in the arena of employability, both at a national government level and at a regional level.

#### Regional Strategies delivered through the D2N2 LEP and CEC:

The key goals of this are focussed on personal attributes, which is the cornerstone for driving all the other skills required:

The D2N2 employability skills framework – Key Goals:

- **G1.** Invest in themselves, recognise their own strengths and values and take responsibility for developing their work readiness, skills and behaviours **Self-motivated**.
- **G2.** Have the tools and skills required to present themselves to a future employer **Self-assured**.
- **G3.** Have high aspirations for themselves. **Aspirational**.
- **G4.** Understand the opportunities available to them locally and beyond, and make realistic choices. **Informed**.
- **G5.** Have experiences of work that are rewarding and fulfilling. **Experienced**.
- **G6.** Achieve qualifications valued by employers. **Achieving**.
- **G7.** Understand that employers want people who will work hard and are accountable for their actions. **Accountable**.
- **G8.** Understand that employers want young people who can listen and learn from their successes and their mistakes and keep going. **Resilient**.
- **G9.** Work creatively to achieve their potential and that of the business **Entrepreneurial**.
- **G10.** Have effective communication and co-working skills **Co-operative**.

Key aims of the Careers and Enterprise Company (CEC) established in 2014 are:

- **Make it relevant** - Link learning in school to future prospects, through access to relatable role models and connecting the curriculum to future opportunities.
- **Learn by doing** - Bring the future to life by seeing, experiencing and doing, connecting young people to employers and workplaces.
- **Start Young** - Provide access to enterprise and work inspiration from an early age, to inform lifelong learning.
- **Map a journey** - The jobs market is increasingly dynamic. Encourage young people to create and take opportunities that continuously challenge or reframe career direction – in stark contrast to a 'job for life'.



- **Think beyond the grade** - Employers value more than qualifications. Inspire real-world learning beyond the classroom to unlock a young person's potential.

### National UK Strategies

The national strategies, like the Gatsby report on careers guidance and the Post 16 Skills plan have informed the regional D2N2 strategies, and are addressing the need to put much more focus on employability skills development for students from an early age specifically.

### 4.3.3 Future Landscape

There will be an increasing need to address employability skills, and with work experience opportunities being addressed, the future gaps which YouNG are well positioned to address are in preparing for work experience and empowering young people from an early age.

There is an opportunity for RBC to help ensure the economic wellbeing of the area in the future, through addressing the soft skills of its young people.

The future for employability skills is being impacted by a number of factors:

- Brexit will cause a long period of uncertainty over what is required and commitment to initiatives being more difficult in the medium and long term. There will also be more focus on developing home grown talent, and with an increasing need to deliver employability skills.
- There are very few sectors where soft skills are unimportant, whether its logistics or the service sector, you do need those soft skills. Without them our ability to promote the area as somewhere you want to live, bring up your kids, go to school, set up a business, is much diminished.
- For the career paths of young people, the rate of change is increasing, whereby contracts are shortening, multi-skilled jobs are increasing, a need for more proactive and creative approaches, all of which is driving the requirements for softer employability skills, in line with the D2N2 key goals.
- There will be continuing pressures on local government funding.
- The route to work experience for young people is being developed through greater involvement of employers, and many agencies providing the links. Increasingly this will be delivered through on-line services.
- There will be continuing need for young people to be work ready when they start employment, and there is continuing development to establish the most effective ways of delivering this.
- The D2N2 region is well positioned to coordinate an approach that will have greater and more consistent impact on the employability skills of young people.

Employability Framework Actions:

- A1. Personal development courses and activities
- A2. Using local labour market intelligence
- A3. Job search, CV and interview workshops
- A4. Careers fairs and events
- A5. Personalised support and careers advice
- A6. Enterprise activities
- A7. Experiences of the work place
- A8. Conversations with employers and working people
- A9. Participating in Industry-sponsored competitions
- A10. Volunteering and other work experience



- To date globalisation and technology changes have affected predominantly manufacturing, manual and clerical jobs. In the future these will increasingly affect skilled and professional roles. There is a greater need for young people to be adaptable, realistic and independent, so they are able to make the most of and create their own opportunities.

#### **4.4 Relevant developments taking place with RBC**

As part of the corporate objectives Rushcliffe Borough Council took the strategic decision to match fund support to ensure the developmental work of the careers enterprise company is visible and located within the Borough. It was also decided that to comply with our collaboration objectives that we would assume responsibility for the development of the Careers and enterprise company objectives within the areas of Newark & Sherwood, Gedling and Broxtowe Borough Councils. In partnership with D2N2 Rushcliffe Borough Council has recently employed the services of NGi Ltd. to deliver the required development programme. The Careers & Enterprise Company's aim is to motivate, inspire and support young people in making informed choices about their future and help them achieve against those choices, which is also the aim of the YouNG project.

The D2N2 Enterprise Coordinator role (undertaken by NGi Ltd.) is responsible for supporting schools, special schools colleges and sixth forms to develop strategic relationships with business leaders, developing a network of Enterprise Advisors and supporting them to work with their school or college senior leadership team. Initially the aim is to conduct a diagnostic (self-assessment) of their careers, enterprise and employability strategy and to develop an action plan. This is an opportunity to identify if the school would benefit from YouNG as a platform to deliver enterprise activities, support work experience opportunities and engage with employers.

The Enterprise Coordinator role is intended to:

- Help schools and colleges to improve their careers and enterprise activities and to engage with the world of work
- Make it easier for employers and the self-employed to engage with schools and colleges
- Focus everyone's efforts on programmes and activities that are most effective in motivating young people, supporting independent choice, and supporting positive outcomes for young people.

The CEC target for 2016/2017 in our area is to engage with 24 schools or colleges and recruit 24 Enterprise Advisers by the end of August 2017 and NGi Ltd. are on track to deliver this.



This report has been undertaken  
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## Report of the Executive Manager – Finance and Corporate Services

### 1. Summary

- 1.1 Streetwise Environmental Ltd was established as a “Teckal” compliant company and has been successfully trading since 1 September 2014. Since its formation the company has been successful in reducing costs for the Council, whilst increasing turnover through the winning of external contracts. However, the company has now reached its “Teckal” limit which could limit the potential future growth of the company.
- 1.2 This report sets out proposals for the future structure and governance arrangements which support the growth aspirations of Streetwise Environmental Ltd whilst also providing a framework to quickly establish other companies which may assist the Borough Council in delivering its objectives.
- 1.3 In forming the proposals, Streetwise and the Borough Council have been supported by independent consultants, Grant Thornton and (Lawyers). Streetwise Environmental Ltd is wholly owned by Rushcliffe Borough Council and therefore any changes to the governance structure needs to be agreed by both the Executive of Rushcliffe Borough Council and the Board of Streetwise Environmental Ltd
- 1.4 At its meeting on 20 September 2016, the Streetwise Strategic Board requested that a report be presented for formal consideration by the Cabinet.

### 2. Recommendation

- 2.1 It is RECOMMENDED that Cabinet:
  - a) approves the revised company structure and governance arrangements as set out in paragraph 4.4 and **Appendix A**;
  - b) that external legal advice is sought for the drafting of the Articles of Association and business agreement documents to support the company structure.

### 3. Reasons for Recommendation

- 3.1 Streetwise Environmental Ltd was established as a “Teckal” compliant company and has been successfully trading since 1 September 2014. Since its formation the company has been successful in reducing costs for the Council, whilst increasing turnover through the winning of external contracts. However, the company has now reached its “Teckal” limit which could limit the potential future growth of the company.

3.2 Therefore, the current Governance structure, although fit for purpose at the time, is no longer the most appropriate model to deliver the future growth aspirations required to deliver an increasing return to the company and the Borough Council.

#### **4. Supporting Information**

4.1 Streetwise Environmental Ltd and the Borough Council (as sole owner) commissioned Grant Thornton to undertake a review of the current company structure and governance arrangements with a view to meeting the Company's aspiration for growth and for employees to have a greater stake in the company. Workshops, facilitated by Grant Thornton, have been held with the Directors of the company and the Strategic Board.

4.2 Whilst undertaking the review, Grant Thornton has taken into account the opportunity for other local authorities to join Streetwise and, within the proposed new structure, have illustrated the potential for local authorities to join by transferring into the company their existing grounds maintenance service and award a contract under Regulation 12 of the PCR 2015 "Teckal".

4.3 In order to identify the most suitable structure, the Directors and Strategic Board members identified the following criteria:

- Promoting the commercial development of the company
- Creating profits to be shared between the company and Council(s)
- Minimising corporate tax liabilities
- Minimising pensions liability for any future partners and addressing the existing pensions issue
- Members' involvement in the strategy of the company to satisfy the requirement of share ownership and strategic control
- Enabling the possibility for staff to have a stake in the business.

4.4 The proposed new structure for Streetwise is detailed in Appendix A. The key features of the proposed structure are:

- The establishment of a Joint Strategic Board. As per the current Strategic Board, it would oversee and set the strategic direction. The difference being that if, for example, it was agreed that another local authority would join Streetwise then there currently would be one place on the Board to be offered for a Councillor from that local authority.
- RBC would establish a new Enterprises Holding Company to oversee all Streetwise companies and other companies set up by RBC, for example, a property related company.
- Establish a new Streetwise trading company, limited by shares and wholly owned by the Enterprises Holding Company. This company would be free to win contracts in the open market without the restrictions limiting the "Teckal" company.
- The new Streetwise trading company will be owned by Rushcliffe Enterprises Ltd (the holding company) and could, at an appropriate time, have shares allocated to be held in an Employee Benefit Trust.

- Rushcliffe Borough Council will be the majority shareholder and retain control of Rushcliffe Enterprises Ltd.
- Streetwise Environmental Ltd “Teckal” company will be retained with the ability for other local authorities to join. The precise details would be subject to negotiation and agreement with the individual parties and would be captured within a business agreement documents.
- The Streetwise brand continues to be owned by RBC and licenced to the relevant entities under royalty arrangements on an arm’s length basis.

## **5. Other Options Considered**

- 5.1 As part of the review, Grant Thornton’s considered a number of options and variants including separate “Teckal” companies for potential local authority partners, companies limited by shares and guarantee, limited liability partnerships, and a community interest company. Evaluated against the success criteria outlined in paragraph 4.3 the proposed structure was considered to provide the best fit.

## **6. Risk and Uncertainties**

- 6.1 Regulation 12 of the PCR 2015 sets out the “Teckal” exemptions and thresholds for trading. In order to minimise the risk of Streetwise exceeding the threshold, a new company structure needs to be considered. If a new structure is not adopted and Streetwise continues to win private sector contracts, there could be a risk of challenge.

## **7. Implications**

### **7.1 Finance**

- 7.1.1 The proposed structure takes into account the strategic objectives of future growth, ethically minimising corporate tax and administrative burdens, whilst providing the vehicle to deliver sustainable profitability. In addition to the existing savings on the prime contract with Streetwise, it is envisaged that any future net profits, after taxation, of the group would be allocated appropriately between the relevant parties including the companies within the group, RBC and any other future partner. It is envisaged that principles relating to profit share would be contained within business agreement documents with each entity. External consultant costs will be shared appropriately between the Borough Council and Streetwise Environmental Ltd.

### **7.2 Legal**

- 7.2.1 The Council has taken specialist financial and legal advice in developing this initiative. If the proposals in this report are adopted they should provide a governance framework which enables strategic and operational input at the most appropriate levels whilst minimising the potential for conflicts of interests for company directors. Further detailed financial and legal work will be required to ensure a successful structure is achieved and the report assumes this.

7.2.2 The report makes reference to potentially taking on other councils' work. It is important to note that where any company takes on services currently being provided by another council it is likely that a Transfer of an Undertaking will be involved, and a comprehensive due diligence exercise should be carried out by the relevant group company before any contract price for the services is settled.

**7.3 Corporate Priorities**

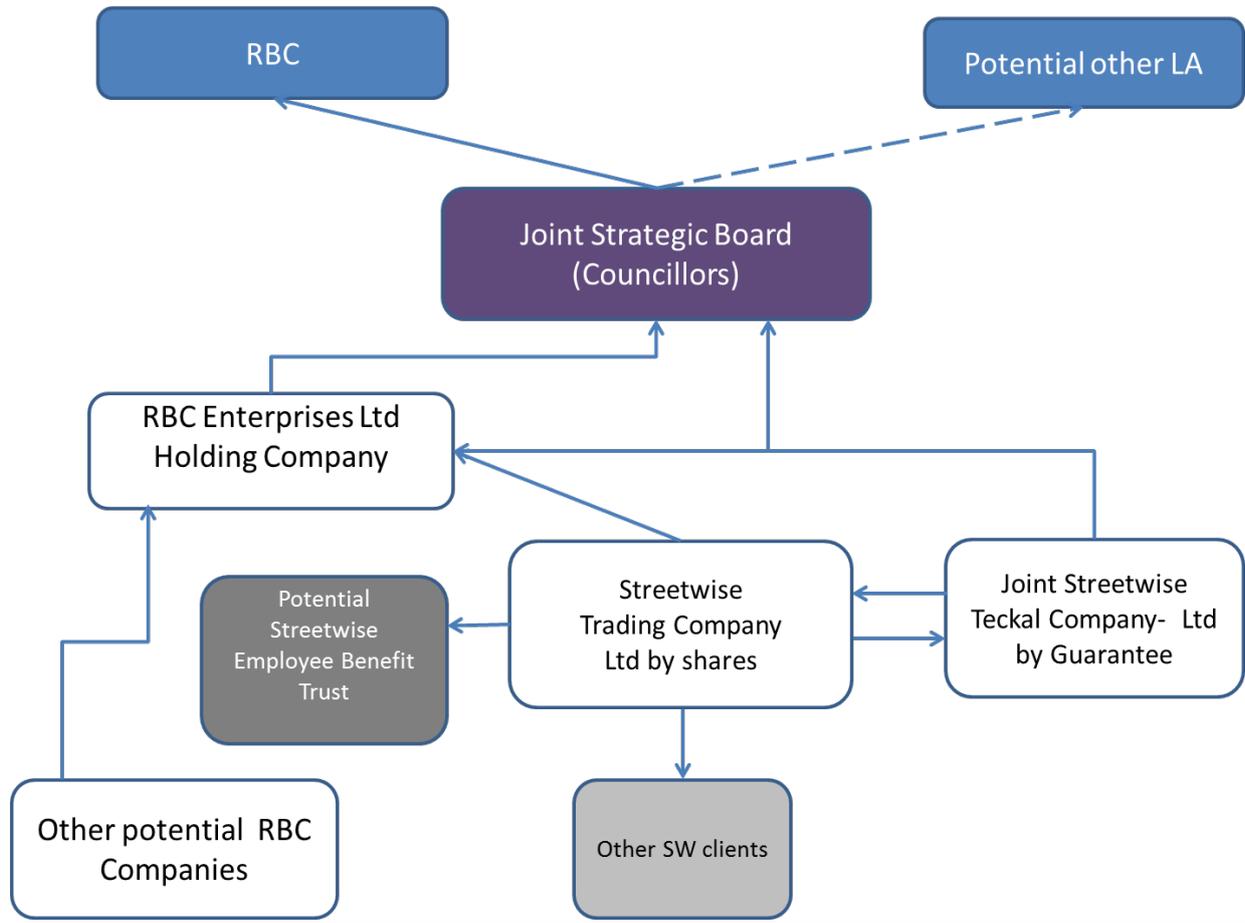
Not applicable

**7.4 Other Implications**

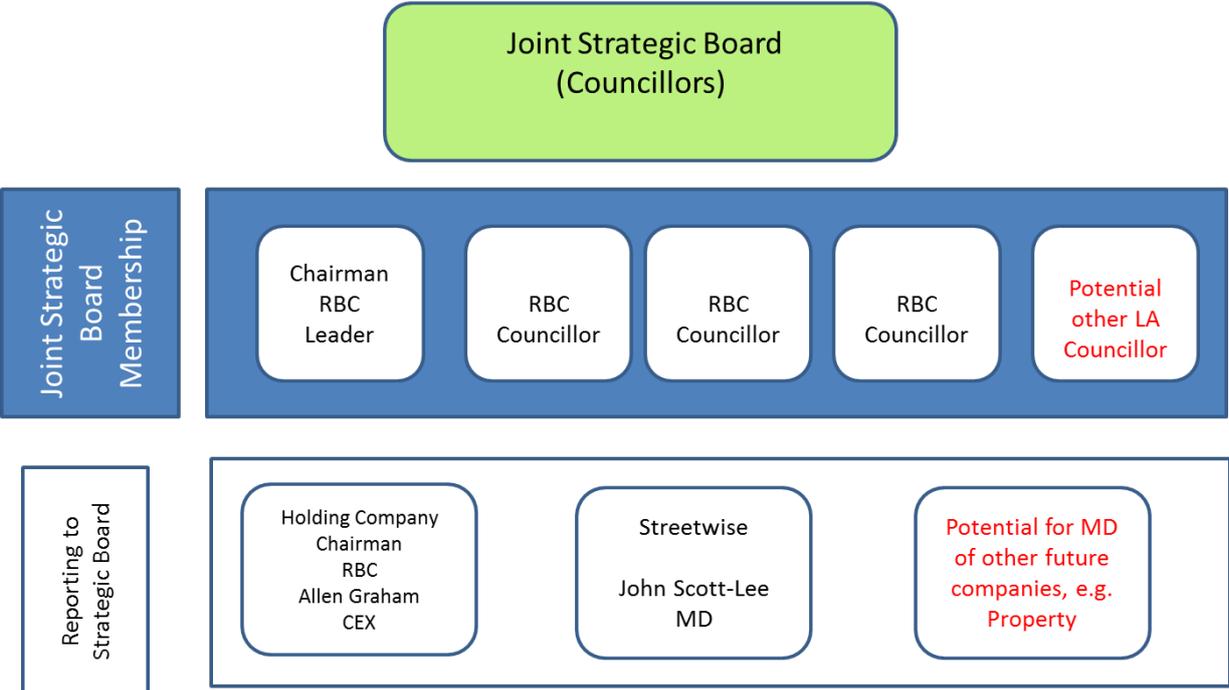
None

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<b>Background papers Available for Inspection:</b>	
<b>List of appendices (if any):</b>	Appendix A – Proposed structure and governance

Proposed company structure



# Governance – Joint Strategic Board – Proposed Membership



Existing appointments/**Proposed**

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