

LDA Investment Committee, Item 4.3, 27th August 2009

Project Narrative

- 1.1. Despite significant improvements in results, London's employers are clear that too many school leavers lack the skills (both technical and soft skills) they need to succeed – this leads to unemployment and its associated costs to young people and the Exchequer.
- 1.2. Data provided by the Organisation for Economic Co-operation and Development ranks the UK fifth from bottom in a league table of 28 countries for the proportion of 15-19 year-olds not in education, employment or training ("NEET")¹. This leads to a significant cost to the taxpayer as a result of more people accessing public services and fewer contributing to the economy and tax income.
- 1.3. Government figures suggest that average lifetime per capita cost to public finance for each young person who enters the NEET group is over £50,000². This figure doubles if resource or opportunity costs are taken into account. The net cost of Job Seeker's Allowance (JSA) alone is £11.4m a week for 18-24 year-olds³.
- 1.4. Through the LDA's investment of £8,000,000, for each additional person who we lead onto a positive pathway, our intervention is delivered for a unit cost of £3,367.
- 1.5. Working in partnership with education providers, the Mayor's Academies aims to promote three crucial aspects:
 - i) *Raising skills*, so that young people are better prepared for the labour market;
 - ii) Providing a *universal job or training* offer for all young people; and
 - iii) Creating *community learning hubs*, through joining up the efforts to improve school performance with efforts to improve adult skills.
- 1.6. The Mayor's Academies will (be) non-selective and open to local children of all backgrounds. They will provide an environment which is highly participative and aspirational, where every student has the opportunity to develop the skills and attitude to lead a positive and fulfilling life.

¹ Education at a Glance, OECD, 2007

² Estimating the Cost of Being "Not in Education, Employment or Training" at age 16-18, Coles et al, Social Policy Research Unit University of York/University of Hull. Public finance includes costs in policy expenditure, social benefits, health, welfare and criminal justice. Resource costs include productivity loss to the economy and cost of education under-achievement

³ JSA expenditure data, DWP, February 2008

- 1.7. Each Academy will set high expectations for every student and member of staff, tailoring learning to individual needs, abilities and aspirations. It will be innovative in its curriculum and build upon its specialism and close links with employers, local partners and the community.
- 1.8. The curriculum will aim to develop rounded individuals and ensure that all students have the opportunity to engage in sport, music and the performing arts at the highest levels, recognising that involvement in team activities develops skills in communication, conflict resolution, team work and leadership skills necessary for employment and entrepreneurship.
- 1.9. Our one-off investment in each Academy is intended to sustain a permanent increase in educational attainment among young people and hence in their employment prospects. While school performance has increased across London in recent years, there are still many schools which do not meet the Government's benchmark of at least 30% of pupils attaining 5 A*-C GCSEs, including Maths and English.
- 1.10. The intention is to open or have in development up to 10 Academies within the next 3 – 4 years. This will be approached in phases with 2 – 3 Academy projects identified or opened per year.
- 1.11. In determining which schools to consider as potential Academy projects (as referred to us by the DCSF) a number of factors will be considered including – the school having a record of poor performance over a number of years; the student intake has multiple disadvantage; the local authority wishes to work in partnership with the LDA; a core education provider that wishes to work in partnership with the LDA and shares its vision; and there is a commitment from both the local authority and the education provider to work with the LDA and the wider GLA family to implement the strategies and address the issues in our wider Youth agenda.
- 1.12. Comparing the 62 Academies which have results in 2008 to their predecessor schools in 2001 (the last year of checked data), shows significant improvements in the number of pupils achieving five or more GCSEs at A* to C. That is, from 23.2 per cent in 2001, to 55.5 per cent in 2008. The improvement is nearly twice that seen over the same period nationally. That said, some Academies have performed better than others and have been successful in achieving a more rapid and sustained improvement in performance. The Mayor's Academies Programme will build on the lessons learned from successful Academies.