

ITEM No ...9.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 7 MARCH 2022
REPORT ON: TRANSFER OF EMPLOYABILITY FUNCTIONS
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 60-2022

1 PURPOSE OF REPORT

1.1 This report updates Committee on the devolution of Scottish Government funding to the Discover Work Partnership; COSLA's request to carry forward funding into 2022/2023; and seeks delegated authority to legally commit funding to organisations following the competitive challenge fund process undertaken by the Discover Work Partnership.

2 RECOMMENDATION

2.1 It is recommended that the Committee:

- a delegates the Executive Director of Corporate Services to carry forward Scottish Government employability funding from 2021/2022 into 2022/2023;
- b delegates the Executive Director of City Development and Executive Director of Corporate Services to finalise the commitment of employability funding following the competitive challenge fund process undertaken by the Discover Work Partnership; and
- c remits the Executive Director of City Development to bring a further report to the City Development committee in summer 2022 on the outcome of the competitive challenge fund process and performance of the pre-existing Employability Pathway.

3 FINANCIAL IMPLICATIONS

3.1 All commitments made in relation to this report will be contained within the employability budget managed by the Council on behalf of the Discover Work Partnership.

4 BACKGROUND

4.1 None.

5 NO ONE LEFT BEHIND - DEVOLUTION OF PRE-EXISTING EMPLOYABILITY FUNDING

5.1 After a review of national employability funding, Scottish Government and COSLA agreed that common challenges must be addressed through a transformational change in Scotland's Employability System. As part of this, it is planned to simplify the number of agencies delivering employability interventions, with a stronger focus on Local Employability Partnerships.

5.2 [*No One Left Behind \(NOLB\) – the Review of Employability Services*](#) was published by Scottish Government in December 2018. Scottish Government stated their desire to work with Local Government and other partners to develop a new model for funding employability provision and integrating with local services. This was formalised through the [*Scottish Government and Scottish Local Government Partnership Working Agreement for Employability*](#) which was also agreed in December 2018.

5.3 This has seen the development of a new funding arrangement which is managed collaboratively between Scottish Government and Local Government and has evolved to include other partners in the planning and delivery of local employability services. This includes the integration and devolution of national funds into a single NOLB funding stream with local investments determined by Local Employability Partnerships.

- 5.4 Phase 2 of NOLB is to commence in April 2022/2023 with the Employability Fund and Community Jobs Scotland programmes coming to an end.

6 EMERGENCE OF ADDITIONAL EMPLOYABILITY FUNDING

- 6.1 Additional employability funding has emerged to support our local employability response to the impacts of COVID-19, as well as longer-term policy objectives such as child poverty.

Parental Employment Support (PES) Fund

- 6.2 The Parental Employment Support (PES) fund supports the aims outlined in Scottish Government's Child Poverty Action Plan – "[Every child, every chance: tackling child poverty delivery plan 2018-2022](#)". This included additional employability support for unemployed and underemployed people who belong to key family groupings (Lone Parents; Parents Aged <25; Youngest Child Aged <1; A person with disability; 3+ Children; and, Minority Ethnic Groups) to increase their household income and improve their labour market position.
- 6.3 Furthermore, PES aims to enhance links between the Early Learning and Childcare (ELC) expansion and local employability services to maximise new training and employment opportunities - including the upskilling and progression of existing staff - enabled by the funded 1,140 hours ELC provision.
- 6.4 Delivery of our PES services is led by ENABLE Works in partnership with One Parent Families Scotland, Volunteering Matters, Barnardo's and the Council's Youth Employability Service.

Partnership Action for Continuing Employment (PACE) funding

- 6.5 Scottish Government's Programme for Government 2020/2021 made additional funding available for the provision of local PACE support for businesses making fewer than 20 employees redundant. This has enabled the provision of local redundancy support for employers and residents where there are a small but impactful number of redundancies resulting in an immediate demand for intensive and hopefully short-term support from local employability, welfare and business support services. The development of our local PACE offer had been led by a newly appointed staff member working on behalf of the Discover Work Partnership.

Scottish Government's Young Person's Guarantee (YPG)

- 6.6 The overarching aim of the [Young Person's Guarantee](#) (YPG) is to ensure that every young person aged between 16 and 24 will be guaranteed, according to their own personal circumstances, either the opportunity to study at university or college, take part in an apprenticeship programme, take up a job or work experience, or participate in a formal volunteering or training programme.
- 6.7 Progress has been made in committing as much YPG funding as possible during 2021/2022 to initiatives that have created additional opportunities for our young people. For example, the Council's Youth Employability Service have increased their capacity, supported the delivery of the *Discover Work Employer Recruitment Incentive*, developed additional Modern Apprenticeships across the Council and wider partnership, and rolled out a Graduate Apprenticeship Programme with opportunities across all Council Service Areas. Further commitments of funding were hindered, with local employability providers expressing concern at the short-term nature of funding, restricting their inability to recruit and provide the long-term support required to deliver sustainable outcomes for young people.

No One Left Behind - Long Term Unemployed (LTU) - Intermediate Labour Market Support

- 6.8 At the beginning of November 2021, Scottish Government confirmed the availability of additional employability funding to deliver 2000 intermediate labour market opportunities (fully subsidised employment opportunities) for those aged 25+ who have been unemployed for

12 months or more and are experiencing structural inequalities in the labour market. Dundee received an allocation of £700k to create at least 70 intermediate labour market opportunities.

- 6.9 Given this funding has a predefined purpose and funding methodology, it does not require an allocations process as the Council can administer payments to public and third sector employers. The Discover Work Partnership is in the process of identifying available capacity within existing employability providers (e.g. Council, Third Sector) to coordinate with public and third sector employers and create the intermediate labour market opportunities, then liaise with partners organisations (e.g. DWP) to identify potential beneficiaries.

7 COSLA'S REQUEST FOR FUNDING FLEXIBILITIES

- 7.1 Following meetings of COSLA's Community Wellbeing Board and Leaders Group in the Autumn of 2021, COSLA formally requested flexibilities from Scottish Government in relation to employability funding in a letter sent to the Cabinet Secretary for Finance and Economy. While outlining the reasons for the underspends, the requests included the ability to carry forward funding to enable longer-term commitments and provide transitional delivery across financial years – i.e. remove the hard stop on 31 March 2022.
- 7.2 Scottish Government have agreed in principle to the carry forward of unspent funding subject to the completion of a Memorandum of Understanding, outlining conditions for payment of the underspend via the General Revenue Grant's end of year redetermination process.

8 EMPLOYABILITY FUNDING – NEXT STEPS

- 8.1 The table below summarises the level of funding to be allocated in the next phase of NOLB following confirmation from Scottish Government that existing funding can be carried forward (beyond 31 March 2022), while also awaiting new indicative allocations for 2022/2023.

Funding Stream	2022/2023 (£)				
	* 2021/2022 Carry Forward	** New Allocation	Total Allocation	Pre-existing Commitments	Planned Investment
NOLB	18,000	654,000	672,000	- 295,000	377,000
PESF	493,000	267,000	760,000	- 760,000	-
YPG	1,924,000	530,000	2,454,000	- 1,300,000	1,154,000
PACE	46,000	-	46,000	- 46,000	-
Totals	2,481,000	1,451,000	3,932,000	-2,401,000	1,531,000

* Subject to forecast of 2021/22 funding to be spent or committed prior to 31/03/2022

** Indicative and subject to parliamentary approval of Scottish Government's Budget

- 8.2 The Discover Work Partnership has considered the following options for allocating available employability funding:
- 1 vary existing agreements with employability providers delivering services on behalf of the Discover Work Partnership;
 - 2 Direct Awards to approved providers offering employability services as part of the Council's *Education & Social Support Services Framework* – including services supporting young people within 6 months of their school leaving age who would otherwise be at risk of not sustaining education, employment or training;
 - 3 publish a *Competitive Challenge Fund (Grant Awarding)* opportunity for eligible organisations including those belonging to the Third Sector;

- 4 utilise the proposed *National Dynamic Purchasing System for Employability Services*. However, this may not be in place by the end of 2021/22 and would likely require a light touch Invitation to Tender once established; and/or
- 5 commence a full procurement exercise including the development and publication of an Invitation to Tender. This would likely take 6 months while reducing the lead in time and delivery period available to maximise investment and level of support for residents.

8.3 The Discover Work Partnership has agreed a hybrid approach, utilising options 1-3, where the outcome of option 3 would normally be subject to approval from the City Development Committee. This would likely be required in May 2022. Due to the clash with local government elections, delegated authority is being sought for the Executive Director of City Development and Executive Director of Corporate Services to approve the legal commitment of employability funding. This will reduce the following risks and provide the associated benefits:

Potential Risks Reduced	Benefits Gained
Less employability support available in the city following the end of the Employability Fund and Community Jobs Scotland programmes. Albeit, existing support with capacity is available due to recent COVID-19 restrictions limiting some service delivery.	Alternative career opportunities for those whose employment may be at risk following the end of the Employability Fund and Community Jobs Scotland programmes – in addition to the NOLB LTU 25+ opportunity mentioned previously.
Delays with the implementation of services including recruitment.	Maximise the breadth and depth of support available to as many residents as possible.
Delays with formalising the legal commitment of funding to providers.	Maximise our investment of devolved employability funding in the city.

9 POLICY IMPLICATIONS

9.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

10 CONSULTATIONS

10.1 The Council Management Team were consulted in the preparation of this report.

11 BACKGROUND PAPERS

11.1 None.

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