

ITEM No ...8....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 9 SEPTEMBER 2019
REPORT ON: CREATION OF AN EMPLOYABILITY PATHWAY
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 214-2019

1 PURPOSE OF REPORT

1.1 The purpose of this report is to update Committee on the development of a new partnership model for the delivery of services in an Employability Pathway and to seek approval for the award of Council Employability Funds and European Social Funds to the named organisations for the delivery of services from 1 October 2019 - March 2023 (subject to annual reviews).

2 RECOMMENDATION

2.1 It is recommended that the Committee approves the award of Council Employability Funds and European Social Funds to the organisations named in Appendix A of this report for the delivery of services in an Employability Pathway from 1 October 2019 - March 2023.

3 FINANCIAL IMPLICATIONS

3.1 The proposed annual investment as set out below will be contained within the Council's Revenue budgets for Employability, which are enhanced by European Social Funds (ESF), and Match Funding provided by Delivery Partners.

Annual Funding Package	Totals (£)	%
Total Annual Cost	1,648,000	-
Applicant Funds	372,300	23%
DCC Employability Funds	535,000	32%
European Social Funds	740,700	45%

3.2 The UK will continue to participate in existing EU Programmes until their conclusion if the UK leaves the EU with a deal based on the draft Withdrawal Agreement. The UK Government has guaranteed funding to replace EU funds for the period they are committed if the UK leaves the EU with no deal. The Council's current allocation of European Social Funds for employability is committed until 31 December 2022. Thereafter, it is proposed by UK Government that such will be superseded by a Shared Prosperity Fund.

4 BACKGROUND

4.1 Reference is made to Article XI of the minute of the City Development Committee meeting on 23 January 2017 (Report No 15-2017 refers) where Committee approved the awarding of an Employability Pipeline Services contract to The Wise Group and noted that a range of complementary services would continue to be delivered in-house by the Council.

4.2 The Employability Pipeline Services contract ended on 31 March 2019. The final contractual period ends on 31 October 2019 following a 6 month mop-up period for the recording of residual outputs and outcomes.

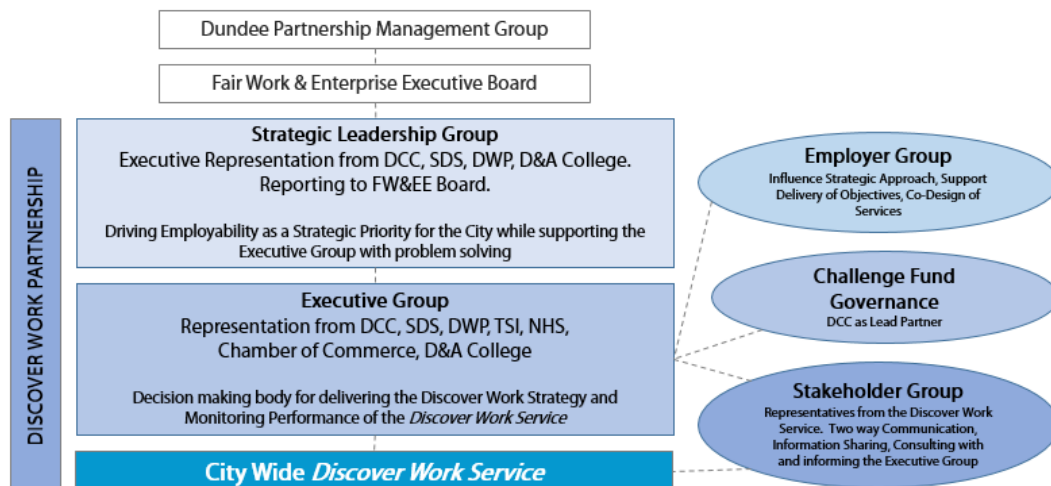
4.3 Officers have reviewed options for the future delivery of Council funded/operated employability services recognising the need to ensure that successor arrangements respond to lessons learned from previous delivery models. This included an Options Appraisal while engaging a range of stakeholders to inform the options available.

- 4.4 This work was undertaken during a period of change in the City's governance arrangements relating to employability, which led to the new *Discover Work Partnership* being formed to replace Dundee Partnership's Employability Group.

5 DISCOVER WORK - A NEW PARTNERSHIP APPROACH

- 5.1 The *Discover Work Partnership* is finalising a new *Discover Work Strategy* which will outline how the partnership will work together to support local residents and employers. Through shared employability priorities, standards, aims and objectives, the Partnership aims to drive improvements in the labour market to meet employer demand and in doing so, increase the level of employment; reduce the level of benefit claimants; improve productivity; and take steps to address in-work poverty. The *Discover Work Strategy* will be underpinned by a Performance Management & Reporting framework, a Communications & Marketing Plan, and a new website and social media platforms for the *Discover Work Service*.
- 5.2 The *Discover Work Service* represents all resources of employability support delivered in the City. The *Discover Work Partnership* will regularly review the impact of our *Discover Work Service*. Where possible, the partnership will support the commissioning of services, allocation of funds and monitor the performance of Delivery Partners receiving those funds.
- 5.3 The end of the Employability Pipeline Services contract in March 2019 and the formation of the *Discover Work Partnership* presented an opportunity to develop a partnership approach between all stakeholders to determine what services will be delivered in an *Employability Pathway* and which organisations are best placed to deliver those services. The diagrams below demonstrate the relationship between the *Discover Work Partnership*, our Citywide *Discover Work Service* and the *Employability Pathway*.

Discover Work Partnership



Discover Work Service

City Wide <i>Discover Work Service</i>									
A range of organisations who deliver and/or fund employability support with examples provided.									
DCC	DWP	SDS	D & A College	DYW	H&SCP	NHS	Scot. Gov	TSI / Charity	Others
<ul style="list-style-type: none"> • ESF Employability Pathway • Employment Support Service • Health & Work Support Service (Single Gateway) • Healthcare Academy • Fair Start Scotland • National Third Sector Fund 					<ul style="list-style-type: none"> • Community Jobs Scotland • Activity Agreements • Employability Fund • Modern Apprenticeships • Scottish Employer Recruitment Incentive • Others 				

6 CHALLENGE FUND FRAMEWORK FOR THE DELIVERY OF AN EMPLOYABILITY PATHWAY

- 6.1 The *Discover Work Partnership* agreed that the previous Employability Pipeline should be reframed as an Employability Pathway from 1 October 2019 and identified specific target groups (see table 6.4) that the future Pathway should focus on as a priority to drive improvements in the level of employment, benefit claimants, productivity and in-work poverty. By focusing on these target groups, the Pathway also aims to address areas of particular need, promote inclusion and ensure that those furthest from the labour market are proactively targeted and supported into sustainable employment.
- 6.2 Throughout January – April 2019, Council Officers worked with other representatives from the *Discover Work Partnership*, including the Third Sector, to design the Challenge Fund framework as a mechanism to:
- Develop the Employability Pathway with these clear aims and guiding principles;
 - Describe the Target Groups to be supported and Services delivered through the Pathway;
 - Create a level playing field with equal opportunity for all eligible organisations and transparent governance arrangements for all successful applicants;
 - Offer a cost effective funding model that adds value and pools funding / resources already available in the City to benefit from the economies of scale;
 - Demonstrate a commitment to coordinated employer engagement activity;
 - Provide an application process and assessment criteria for the allocation of funds to successful applicants (Delivery Partners); and
 - Support the aims and objectives outlined in the City Plan for Dundee 2017-26; the Tay Cities Economic Strategy 2017-37; and, No One Left Behind - Next Steps for the Integration and Alignment of Employability Support in Scotland.
- 6.3 This included a number of meetings with Dundee's Third Sector Employability Forum; the publication of a draft Challenge Fund framework for all potential applicants; the hosting of an Awareness & Engagement Event; and a three week period for '*Collaborate Discussions*' between potential applications prior to the final Challenge Fund framework being published on 22 May 2019.
- 6.4 The Challenge Fund framework was structured into five LOTs with corresponding values to support the associated target groups. The estimated value was £1.5m per annum based on the anticipated combination of funds provided by applicants, the Council's allocation of Employability Funds and European Social Funds.

LOT	Target Group(s)	Anticipated Value (£)
1	Jobless People with Physical Health Conditions	300,000
2	Jobless People with Mental Health Conditions	350,000
3	Jobless People who are long-term Unemployed / Inactive, Aged 45+ and/or Reside in the Most Deprived Areas	580,000
4	Other Target Groups where full Match Funding can be provided by Applicants	160,000
5	Employer Engagement & Job Brokerage	110,000
Estimated Value		1,500,000

- 6.5 The application process was open to all eligible organisations – Public Bodies, Third Sector and Not for Profit Organisations – and consortium approaches were welcomed. In accordance with the Discover Work Partnership’s commitment to a level playing field, with equal opportunity for all eligible organisations, Council Services were required to submit applications where they sought funding.
- 6.6 Applications were scored by an Assessment Panel formed by members of the Discover Work Partnership. Additional information was requested from applicants where required. The Assessment Panel recommended that the Council awards Employability Funds and/or European Social Funds to the organisations named in Appendix A for the period 1 October 2019 – 31 March 2023 (subject to annual reviews). This period aligns to the Council’s current allocation of European Social Funds which ends on 31 December 2022.
- 6.7 The application from City Development’s Adult Employability Service for LOTs 3 and 5 is based on the intention to integrate multiple projects currently delivered across three Council Service Areas. This responds to one of the Discover Work Partnership’s principles for the Citywide Discover Work Service (i.e. *‘The Discover Work Service must be simplified in its design where possible to... deliver a better experience for clients, declutter the employability landscape, realise the benefits from economies of scale...’*). However, the Partnership recognises that such organisational change can take time and the Council has agreed to the close monitoring of progress with agreed actions for the initial 6 months.
- 6.8 Appendix A provides a detailed summary of the funding packages and the proposed volume of outputs and outcomes per Delivery Partner. It is worth noting the pool of funds from a range of sources including: Applicant Reserves; Council Employability Funds; No One Left Behind Funding; the Vulnerable Persons Resettlement Scheme (VPRS); and, European Social Funds. As a total, the Pathway aims to achieve the following Outputs and Outcomes per year:

No. of Clients	%	Outputs / Outcomes
834	-	Progress Towards Employment
456	55%	Enter a Positive Destination
144	17%	Enter Further / Higher Education or Training
312	37%	Enter Employment
247	79%	Sustain Employment for 6 Months+
219	70%	Sustain Employment for 12 Months+

- 6.9 The awarding of funds will be subject to the agreed Governance Arrangements outlined in the Challenge Fund framework including robust Performance Monitoring processes. The Governance Arrangements are implemented by a Senior Policy Officer who is tasked with carrying out the role of ‘Lead Partner’ on behalf of the Discover Work Partnership. The Performance Monitoring process includes monthly Review Meetings with Delivery Partners.
- 6.10 Where issues are identified, there are clear reporting procedures within the Council and to the Discover Work Partnership. Those procedures provide the Discover Work Partnership with the ability to reduce or withdraw funding from a Delivery Partner and reallocate funding to

alternative Delivery Partners. The first annual review will take place in February 2021. Six monthly Member briefings will be provided on performance of the Employability Pathway.

7 POLICY IMPLICATIONS

- 7.1 This report has been subject to an assessment of any impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. A copy of the Impact Assessment is available on the Council's website at www.dundee.gov.uk/ia/reports.

8 CONSULTATIONS

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

9 BACKGROUND PAPERS

None.

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27 August 2019

APPENDIX A

LOT(s)	1 & 2	3	4	4	4	5		
Applicant (Organisation / Council Service Area)	ENABLE Scotland (Third Sector Consortium *)	City Development's Adult Employability Service	Corporate Service's Youth Employability Service	City Development's Adult Employability Service ***	Project Scotland ***	City Development's Adult Employability Service		
Target Group(s)	Jobless People with Physical and / or Mental Health Conditions	Jobless People who are long-term Unemployed / Inactive, Aged 45+ and/or Reside in the Most Deprived Areas	Young People Not in Education, Employment or Training (NEET) or at risk of becoming NEET	Refugees resettling in Dundee and Jobless People belonging to a Black, Asian and Minority Ethnic (BAME) Group	Refugees resettling in Dundee and Jobless People belonging to a Black, Asian and Minority Ethnic (BAME) Group	Coordinated Employer Engagement & Job Brokerage Service to source opportunities for all Target Groups		
Funding Package (£)							Totals	%
Total Annual Cost	635,300	587,500	194,700	72,500	43,300	114,700	1,648,000	-
Applicant Funds	95,300	88,100	107,100	39,900	24,700	17,200	372,300	23%
Employability Funds	254,100	235,000	-	-	-	45,900	535,000	32%
European Social Funds	285,900	264,400	87,600	32,600	18,600	51,600	740,700	45%
Outputs & Outcomes							Totals **	%
Clients Progressing Towards Employment	356	397	200	85	75	-	834	-
Clients Entering a Positive Destination	217	198	130	31	31	-	456	55%
Clients Entering Further / Higher Education or Training	74	20	70	14	14	-	144	17%
Clients Entering Employment	143	179	60	17	17	-	312	37%
Clients Sustaining Employment for 6 Months+	107	152	50	10	10	-	247	79%
Clients Sustaining Employment for 12 Months+	93	134	45	10	10	-	219	70%
Cost Per Client							Totals	
Entering a Positive Destination	2,900	3,000	1,500	2,300	1,400	-	3,600	
Sustaining Employment for 12 Months+	6,800	4,400	4,300	7,200	4,300	-	7,500	

* Third Sector Consortium led by ENABLE Scotland in partnership with Apex Scotland, Barnardo's, DEAP Ltd, Enterprise Mentoring, Project Scotland and One Parent Families Scotland.

** A reduction of 25% is applied to account for clients who are supported by more than one Organisation / LOT and to encourage Delivery Partners to work as one service.

*** These applications are complementary and the applicants have demonstrated how they will be integrated. The Application Process required applicants to submit separate applications.