

ITEM No ...7.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 5 SEPTEMBER 2022
REPORT ON: DISCOVER WORK PARTNERSHIP UPDATE
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 206-2022

1 PURPOSE OF REPORT

1.1 This report updates Committee on: performance of the Employability Pathway; the commitment of additional employability funding following a competitive Challenge Fund (Round 2) process undertaken by the Discover Work Partnership; the extension of pre-existing commitments relating to Challenge Fund (Round 1); and the publication of the Discover Work Strategy 2022 - 2027.

2 RECOMMENDATION

2.1 It is recommended that the Committee:

- a notes the significant improvement in performance of the Employability Pathway for the period 1 October 2019 – 31 March 2022;
- b notes the commitment of employability funding following a competitive Challenge Fund (Round 2) process undertaken by the Discover Work Partnership;
- c delegates the Executive Director of Corporate Services and the Executive Director of City Development to confirm arrangements for the extension of existing Challenge Fund (Round 1) commitments for one year up to 31 March 2024, subject to successful approval of UK Shared Prosperity Fund Investment Plan by the UK Government; and
- d notes the publication of the Discover Work Strategy 2022 – 2027, which sets out the strategic vision, goals and context relating to our ambitious “*Transformation of employability for a new Dundee*”.

3 FINANCIAL IMPLICATIONS

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

4 BACKGROUND

4.1 Reference is made to Article IX of the minute of the City Development Committee meeting on 7 March 2022 (Report No 60-2022 refers) where Committee:

- a delegated the Executive Director of Corporate Services to carry forward Scottish Government employability funding from 2021/2022 into 2022/2023;
- b delegated the Executive Director of City Development and Executive Director of Corporate Services to finalise the commitment of employability funding following the competitive Challenge Fund (Round 2) process undertaken by the Discover Work Partnership; and
- c remitted 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 (Round 2) process and performance of the pre-existing Employability Pathway.

5 EMPLOYABILITY PATHWAY PERFORMANCE (CHALLENGE FUND ROUND 1)

5.1 The aim of the Discover Work Partnership is to address local need, promote inclusion, and ensure that those furthest from the labour market are proactively targeted and supported into sustainable employment through the Employability Pathway.

- 5.2 Employability providers were appointed in September 2019 to deliver services in the Employability Pathway through a competitive Challenge Fund (Round 1). Providers target priority customer groups and deliver specialist support to address the barriers they face, that is provided in a way that is simple, streamlined and attractive to them.
- 5.3 The following Priority Customer Groups were identified as for targeting in Challenge Fund (Round 1) by the Discover Work Partnership through the analysis of local labour market information, the annual population survey, and other statistical resources:
- jobless people with physical health conditions including those considered as a disability;
 - jobless people with mental health conditions including those considered as a disability;
 - jobless people who are long-term unemployed/inactive;
 - jobless people who are aged 45+; and
 - jobless people who reside in the most employment deprived areas.
- 5.4 The pathway provides an end-to-end service for customers with a streamlined and focussed route into employment, to improve the performance of the Pathway for the residents of Dundee. One aim was to improve the proportion of customers that progress towards and enter employment while ensuring that the vast majority of customers sustain their employment. For example:
- greatly improve the proportion of customers who enter a positive destination e.g. 50% or above;
 - greatly improve the proportion of customers who enter employment e.g. 40% or above; and
 - provide a service that is designed to best enable the vast majority of customers to sustain their employment for a minimum of 12 months e.g. 75% or above.
- 5.5 Since the Employability Pathway began, there has been significant improvement in the proportion of customers entering a positive destination including the sustainment of employment for 12 months+. See Appendix A for further performance data and targets.

Measure: % of Customers Registered	Pre-October 2019	Post-October 2019	Improvement Since October 2019
Not Supported (Drop Out Rate)	40%	28%	-12%
Supported to progress towards employment	60%	72%	12%
Measure: % of Customers Supported			
Entered a Positive Destination	34%	75%	41%
Improved Labour Market Situation	N/A	1%	1%
Entered FE, HE or Training	10%	16%	6%
Entered Employment incl. Self Employed	24%	58%	34%
Sustained Employment 6 Months	54%	78%	24%
Sustained Employment 12 Months	Unknown	74%	74%

6 COMMITMENT OF EMPLOYABILITY FUNDING - CHALLENGE FUND (ROUND 2)

- 6.1 As detailed in the City Development Committee [Report No 60-2022](#), Scottish Government agreed to a COSLA request for flexibilities, including the ability to carry funding forward. This provided an opportunity to make available £1.55m for the Round 2 Challenge Fund, as summarised in the table below:

Title	Challenge Fund (Round 2)	
Purpose	Investment of funds to deliver additional/enhanced services to primarily young people, in the Employability Pathway and wider Discover Work Service.	
Initial Duration	1 July 2022 - 31 March 2024. This initial duration reflects additional flexibilities provided by Scottish Government and the need for continuity of service where commitments are made that straddle multiple financial years.	
Initial Funding	Source	Anticipated Value (£)
Young Person's Guarantee	Scottish Government	1,200,000
No One Left Behind	Scottish Government	350,000
	Total (Not VAT Applicable)	1,550,000
Potential Extensions*	1 Year to 31 March 2025 1 Year to 31 March 2026 Plus contingent liability where agreements cease but commitments have been made that straddle multiple financial years.	
* Subject to the availability of funding, satisfactory performance of Delivery Partners and adherence to all other requirements. Any potential extensions will be subject to necessary amendments to Services, Target Groups and/or any other modifications which are acceptable to the Discover Work Partnership and are permissible within the scope of the existing award.		

- 6.2 Challenge Fund (Round 2) was developed as a mechanism to commit challenge funding to successful applicants for the delivery of additional/enhanced services in the Employability Pathway to support the following priority customer groups, electoral ward areas, and employment sectors.

Priority Customer Groups (Round 2)
<ul style="list-style-type: none"> • Those identified as being most at risk of leaving school and not participating in employment, education, or training • Those aged 16-19 who are <i>Not Participating</i> (particularly those <i>Unemployed & Not Seeking</i>) or <i>Unconfirmed</i> • Young People aged 16-24 requiring intensive and tailored support to address barriers caused by: <ul style="list-style-type: none"> ➢ additional support needs; ➢ experience of care; ➢ caring responsibilities; ➢ disabilities; ➢ mental health conditions; and ➢ convictions or an offending history. • Young People aged 16-24 who are long-term unemployed/inactive and most at risk of not re-entering or sustaining a positive destination. • Those requiring specialist/bespoke support to access work (eg neurodiverse customers; those with severe and enduring mental health conditions) including advice, guidance and support for employers (eg flexible recruitment practices to improve workforce diversity; Equality, Diversity, Disability Awareness Training; application of accommodations and adjustments to work duties). (Informed by local labour market analysis and stakeholder input which highlighted those in the greatest need of support to participate, progress, and enter employment/other positive destination).
Priority Electoral Ward Areas
<ul style="list-style-type: none"> • Coldside, Lochee, North East, and East End (informed by local labour market analysis that highlighted the wards with the greatest need of improvement in their Annual Participation Measure, Unemployment, and Inactivity).

Priority Employment Sectors
<ul style="list-style-type: none"> Health & Social Care, Public Sector, Digital, Construction, Tourism, Accommodation & Food Services, Admin & Support Services, Customer Service and others that provide occupations at an appropriate level for our priority customers groups (informed by the Tay Cities Regional Economic Strategy (2019-2039), Regional Skills Assessment, Data Matrix, and Regional Skills Investment Plans).

- 6.3 Challenge Fund (Round 2) was published on 25 April 2022 and was open to eligible organisations including those belonging to the public sector (e.g. education, health, local government), third/voluntary sector (eg charitable and social enterprises), and private sector. 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. Further information relating to the weighing and scoring criteria is provided in Appendix B.
- 6.4 The assessment process was competitive, with the demand being almost twice that of the funding available. Appendix B provides a summary of applications received, including the proposed funding packages and volume of outputs and outcomes, following the conclusion of the full assessment and clarification process.
- 6.5 The assessment panel recommended that application 1 be awarded the funding sought, which was subsequently approved under delegated powers by the Executive Directors of City Development and Corporate Services. The application was submitted by ENABLE Scotland (Leading the Way) on behalf of a consortium of third sector organisations. The consortium was a recipient of an award from Challenge Fund (Round 1) of 2019 with ENABLE Scotland working in partnership with Barnardo's, Volunteering Matters (Project Scotland), Access to Industry, DEAP Ltd, and One Parent Families Scotland. To date, the consortium has had a remit to focus on supporting those with physical and mental health conditions, as well as parents belonging to specific households at risk of experiencing poverty.
- 6.6 The consortium's application for Challenge Fund (Round 2) proposed an expansion of their membership to include Street League, HELM Training Ltd, and The Prince's Trust – resulting in a consortium of 9 organisations in total. Alongside ENABLE, Barnardo's, and DEAP, they are offering a wide variety and depth of support for the priority customer groups. The consortium has committed to a further exploration of informal partnership working with organisations who are not currently members of their consortium including other applicants.
- 6.7 The expanded membership will result in Dundee's Third Sector forming the largest consortium of employability providers in Scotland, with an aim to work as one in partnership with Council Services, while simplifying the offers available to Adults, Young People, and Households - including those with physical and mental health conditions, disabilities, experience of care, convictions, or an offending history, etc.
- 6.8 The funding award is subject to agreed governance arrangements on behalf of the Discover Work Partnership. The performance monitoring process includes monthly review meetings with employability providers, and the ability to reduce or withdraw funding from an employability provider and reallocate funding to alternative employability providers.

7 UK SHARED PROSPERITY FUND

- 7.1 The Council has submitted Dundee's Investment Plan for the UK Shared Prosperity Fund (UKSPF) in conjunction with partners and stakeholders. This sets out the use of UKSPF for continuity of services that are currently funded by the European Social Fund (ESF) and form part of the current Employability Pathway. Those services relate to Challenge Fund (Round 1) of 2019 which runs to 31 March 2023. UKSPF will extend these commitments for a further year to 31 March 2024 to retain all components of the Employability Pathway, and ensure continuity of services to customers, and ensure improvements in performance to date are maintained.

- 7.2 During 2023/2024, the Discover Work Partnership will co-design and co-commission the next evolution of our Employability Pathway for 2024/2025 and beyond following the final phase of devolved funding from Scottish Government through No One Left Behind.

8 DISCOVER WORK STRATEGY & ACTION PLAN 2022-2027

- 8.1 The Discover Work Partnership published the Discover Work Strategy 2022 – 2027 in April 2022, which sets out its ambitious strategic vision, goals and context in “*Transformation of employability for a new Dundee*”. It aims to maximise the opportunities provided by the transformation of Scotland’s employability system through No One Left Behind and deliver outstanding and recognisable improvements in outcomes for our customers. The Strategy is supported by a robust Action Plan, with all actions aligned to three strategic goals:

- 1 Strengthen the functions and effectiveness of Discover Work;
- 2 Improve employability outcomes for customers; and
- 3 Establish, promote, and increase awareness of Discover Work.

- 8.2 While Dundee has experienced improvements in unemployment and economic inactivity, the Partnership is committed to further improvement. There are more than 11,000 people out of work in the city who are actively seeking or want to work. That hidden talent can be found in those currently unemployed and inactive, and there is a recognition that partners need to increase response to the prevalence of challenging barrier such as physical and mental health conditions, including those with disabilities under the terms of the Equality Act 2010.

- 8.3 The Partnership aims to make improvements in the labour market that meet employer demand and in doing so, increase the level of employment in the city, reduce the level of benefit claimants, improve participation and productivity, and take steps to address in-work poverty. The Discover Work Partnership has identified the following improvement areas:

Hidden Talent – Economic Inactivity and Unemployment				
Demographic	Total Number	Est. Prevalence of those Equality Act Disabled	Est. Prevalence of Poor Mental Health	Improvement Required to meet Scottish Average
Unemployed	4,750	475 (10%)	2,140 (45%)	950 (20%)
Economically Inactive (want to work)	4,700	2,230 (43%)	2,350 (50%)	650 (14%)
10% of those Economically Inactive (do not want work)	1,850	880 (43%)	930 (50%)	-
Total Potential Market	11,300	3,585	5,420	1,600 (14%)
% Total Potential Market	-	32%	48%	

The following targets are set in the strategy to deliver improvements in performance within the ‘hidden talent’ set out above:

Measure	Improvement Required to meet Scottish Average
Equality Act Disabled (Disability Employment Gap)	Increase employment by at least 900 people
Young People Aged 16-19 and <i>Not Participating</i> or have an <i>Unconfirmed Status</i>	Increase the participation rate by at least 126 young people every year
Workless Households	Reduce workless households by at least 700

Children in Workless Households	Reduce the number by at least 225
Ward Area Participation & Claimant Rates	Improve unemployment, inactivity and participation in Coldside, Lochee, East End, and North East

9 POLICY IMPLICATIONS

9.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of/mitigating factors for them is attached to this report.

10 CONSULTATIONS

10.1 The Council Leadership Team have been consulted in the preparation of this report and agree with its content.

11 BACKGROUND PAPERS

11.1 None.

Gregor Hamilton
Head of Planning and Economic Development

Author: John Davidson

Robin Presswood
Executive Director of City Development

Dundee City Council
Dundee House
Dundee

GH/JD/KS

23 August 2022

APPENDIX A**EMPLOYABILITY PATHWAY – PERFORMANCE: 1 OCTOBER 2019 – 31 MARCH 2022**Customer Characteristics**Period of Joblessness:**

- 31% had never worked
- 36% had been jobless for less than 1 year
- 23% had been jobless for 1 - 5 years
- 10% had been jobless for 5 years+

Employment Status:

- 44% Inactive, Not In Education or Training
- 25% Long Term Unemployed
- 29% Unemployed
- 1% Employed

Other Characteristics:

- 57% Male and 43% Female
- 52% 16-24 Years of Age - higher than originally anticipated due to our response to the disproportionate impact of COVID-19 on young people
- 49% Live in the 15% Most Employment Deprived Areas (SIMD) in Dundee
- 42% Live in a Jobless Household
- 45% presented with a Mental Health condition
- 24% presented with a Disability and/or Long-term Physical Health condition

Outcomes

Ambition versus Actuals to Date (Percentages Only)

Measure: % of Customers Supported	Ambition	Actuals	Comparison
Entered a Positive Destination	55%	75%	20%
Improved Labour Market Situation	-	1%	1%
Entered FE, HE or Training	17%	16%	-1%
Entered Employment incl. Self Employed	37%	58%	20%
Sustained Employment 6 Months	79%	78%	-1%
Sustained Employment 12 Months	70%	74%	4%

Ambition versus Actuals to Date (Volumes & Percentages)

Employability Pathway	Ambition*		Actuals		Comparison	
Measure: Customers Supported	Volume	%	Volume	%	Volume	%
Entered a Positive Destination	912	55%	992	75%	80	20%
Improved Labour Market Situation	-	-	6	-%	6	-%
Entered FE, HE or Training	288	17%	208	16%	-80	-1%
Entered Employment incl. Self Employed	624	37%	778	58%	154	21%
Entered Employment Over 6 Months Ago	N/A	N/A	580 **	N/A	N/A	N/A
Sustained Employment	494	79%	452	78%	-42 **	-1%
Entered Employment Over 12 Months Ago	N/A	N/A	361 ***	N/A	N/A	N/A
Sustained Employment	438	70%	268	74%	-170 ***	4%

* 20% Reduction against original targets due to impact of COVID-19 on customers and services

** 198 customers who entered employment have not yet been in work for 6 months. Therefore, sustainability cannot yet be confirmed.

*** 417 customers who entered employment have not yet been in work for 12 months. Therefore, sustainability cannot yet be confirmed.

Actuals Pre and Post 1 October 2019 (Volumes & Percentages)

Employability Pathway	2017-2019		2019-2022		Comparison		Variance
Measure	Volume	%	Volume	%	Volume	%	%
Customers Supported	1364	-	1331	-	-33	-	-
Entered a Positive Destination	470	34%	992	75%	522	41%	211%
Improved Labour Market Situation	-	-	6	-%	6	-%	-%
Entered FE, HE or Training	138	10%	208	16%	70	6%	151%
Entered Employment incl. Self Employed	332	24%	778	58%	446	34%	234%
Employment Started Over 6 Months Ago	254	-	580	N/A	N/A	N/A	N/A
Sustained Employment	134	53%	452	78%	318	25%	337%
Employment Started Over 12 Months Ago	Unknown	Unknown	361	N/A	N/A	N/A	N/A
Sustained Employment	Unknown	Unknown	268	74%	268	74%	100%

APPENDIX B**CHALLENGE FUND (ROUND 2): SCORING INFORMATION & SUMMARY OF APPLICATIONS**

- a Applicants were provided a template application form containing the following sections with the associated weightings for scoring.

Sections	
Section 1:	Customer Engagement
Section 2:	Service Content and Delivery
Section 3:	Knowledge, Expertise and Staffing
Section 4:	Implementation, Management and Quality
Section 5:	Output and Outcome Targets
Section 6:	Cost and Added Value
Section 7:	Previous Experience and Past Performance

- b As part of the Discover Work Partnership's commitment to co-commissioning, applications were assessment by a Partnership assessment panel, with no one organisation responsible for decision-making. This included representation from the Department for Work & Pensions, Skills Development Scotland, Dundee & Angus College, and Dundee City Council. Applications were assessed through the use of the following assessment criteria.

Score	Assessment Criteria
10	Excellent Quality that surpasses the requirements of the Discover Work Partnership. Indicates an excellent Application with detailed supporting evidence and no weaknesses.
8	Good Quality that meets the requirements of the Partnership with good supporting evidence and few weaknesses.
6	Reasonable Quality that meets the requirements of the Partnership. The response generally lacks sufficient detail to award a higher mark.
4	Poor Quality which poses reservations for the Partnership. Lacks convincing detail of the supporting evidence and/or has substantial weaknesses.
2	Unacceptable Quality which poses serious reservations for the Partnership. Limited or no detail of the proposed approach and/or has substantial weaknesses.
0	No submission/submission not relevant

- c Financial risk assessments were undertaken by officers including the financial accounts of the Lead Applicant and Consortium Partners (where applicable).

Application No:	1	2	3	4	5	Total	Total £	Demand
Total Score (Max. of 100)	80	51	61	40	54	P/Annum	P/Annum	versus £
Rank	1	4	2	5	3	Proposed	Available	Available

Measure - Per Annum									
Staffing & Caseload	Staffing FTEs	18	6	3	2	1	30		
	Customers Supported Per FTE	23	32	32	40	91	28		
Customers & Outcomes	Total Customers Supported	407	181	97	86	91	862		
	Outcome - Total Positive Destinations	252	85	74	143	55	609		
	Outcome - Further/Higher Education or Training	88	18	35	74	0	216		
	Outcome - Employment incl. Self Employment	164	67	38	69	55	393		
	Outcome - Sustained Employment 12 Months+	123	43	40	69	-	275		
	% Customers Sustain Employment 12 Months+	75%	65%	104%	100%	-	70%		
Funding Package	Total Cost	885,714	259,468	161,681	182,704	62,559	1,552,126	885,714	175%
	Grant Funding Amount Requested - YPG	685,714	259,468	161,681	0	18,142	1,125,005	685,714	164%
	Grant Funding Amount Requested - NOLB	200,000	0	0	182,704	44,417	427,121	200,000	214%
	Net Contribution from Applicant	0	0	0	0	0	0		
Cost Per Customer / Outcome	Supported	2,177	1,437	1,664	2,132	684	1,801		
	Entering a Positive Destination	3,515	3,047	2,193	1,279	1,140	2,550		
	Entering Further/Higher Education or Training	10,065	14,190	4,564	2,459	-	7,186		
	Entering Employment incl. Self Employment	5,401	3,881	4,223	2,664	1,140	3,954		
	Sustain Employment 12 Months+	7,176	5,975	4,042	2,664	-	5,635		

App. No.	Applicant
1	Dundee Pathway Consortium – Led by ENABLE Scotland (Leading the Way) in partnership with Barnardo's, DEAP, Street League, HELM Training, Prince's Trust. Other consortium partners include Volunteering Matters, Access to Industry, & One Parent Families Scotland
2	The Salvation Army
3	Alexander Community Development
4	Primed Talent Limited
5	Dundee City Council - Adult Employability Service