
Report To:	Environment and Regeneration Committee	Date:	25 October 2018
Report By:	Head of Regeneration & Planning	Report No:	E+R/18/10/04/SJ/BH
Contact Officer:	Brendan Hurrell	Contact No:	01475 712654
Subject:	Workforce Development Update		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide an update on all matters in relation to the Councils services and contracts relating to Workforce Development.

2.0 SUMMARY

- 2.1 The purpose and structure of the Employability Pipeline is to provide Inverclyde residents with a tailor made pathway of support, where their individual circumstances, barriers, needs and aspirations are assessed and delivery organisations work collaboratively to support and progress each individual through their personal pathway towards, and into, a positive destination.
- 2.2 The Inverclyde Employability Pipeline provides a range of employability support to local residents looking for work, or looking to improve their employment situation. It also supports Inverclyde businesses to train and grow their workforce.
- 2.3 The Council contract with relevant organisations to deliver services that are of high quality and provide best value for money. Currently, three main contractors are appointed by a lotted tender exercise to deliver services on behalf of the Council. More detail on the services delivered is given in section 5 of this report with contract performance for years 2017/2018 and year to date 2018/19 contained within Appendix 1. The Council's Regeneration Fund wholly funds Lots 2 and 3, with Lot 1 being funded by this fund and the Council's European Social Fund (ESF) grant award from the European Structural & Investment Fund (ESIF 2014-2020 Programme). Annually, an average of 1,550 clients are supported by these services. The services are as follows -

Lot 1: Currently delivered by Inverclyde Community Development Trust £2,262,849. Who provide End to end employability including a range of activities to improve and develop employer engagement

Lot 2: £116,156. Currently delivered by Stepwell Consultancy Limited who provide Supporting unemployed/inactive with a physical or mental, sensory or learning disability by providing specialist advice, supported employment & job placements.

Lot 3: £65,000. Currently delivered by Inverclyde Advice and Employment Rights who provide service in relation to employment rights and work related issues such as occupational health.

- 2.4 In addition to managing these tendered services the Workforce Development team also provide and manage the following services: Modern Apprenticeships, The Graduate Wage Subsidy Programme, Scotland Employer Recruitment Initiative and Community Benefits. More detail and the performance of these Services is given within section 5 of this report.

2.5 As can be seen from the performance data, external partners continue to perform well and the Council internal Services add value to the employment prospects of many people from Inverclyde. Officers have considered options to reduce the funding for Services delivered externally with more Community Benefits being delivered using the Procurement power of the Council.

3.0 RECOMMENDATIONS

3.1 It is recommended that Committee note the Services that are offered and note the current contracted and in house Service performance.

Stuart Jamieson
Head of Regeneration & Planning

4.0 BACKGROUND

- 4.1 Since 2008 Inverclyde Council has undertaken, on behalf of the Inverclyde Community Planning Partnership “Inverclyde Alliance”, an open and competitive tendering process to support delivery of employability services for Inverclyde residents. Most recently, services were secured for the delivery of end-to-end and specialist employability activity and these contracts will either terminate on 30th March 2019 or on the 30th of March 2020 subject to satisfactory contract performance.
- 4.2 The latest Inverclyde Labour Market Statistics as reported by NOMIS are as follows however as has already been reported to Members these figures are not reliable due to the ongoing roll out of Universal Credit –

Headline	Inverclyde	Scotland
JSA claimant count (November 2016)*	1.5%	1.4%
Claimant Count (October 2017)*	4.8%	2.2%
ESA and Incapacity Benefit (November 2016)*	11.7%	7.8%
Economic inactivity (Jul 2016 – Jun 2017)*	23.4%	23.1%
Unemployment rate (Jul 2016 – Jun 2017)*	5.9%	4.5%
Employment rate (Jul 2016 – Jun 2017)*	72.8%	73.4%
% of Population with no qualifications (Jan – Dec 2016)*	14.2%	9.9%
% of local population in 15% most deprived data-zones [^]	34.6%	14.7%

Sources: * Nomis ^SIMD 2016

- 4.3 As previous reports on employability have highlighted, a key challenge for Inverclyde in terms of labour market participation will be to maintain a focus on addressing long term worklessness in the area, whilst also ensuring that there are suitable services in place to deal with increased volumes of new entrants to the unemployment register. Worklessness and socio-economic deprivation also has a geographic dimension in Inverclyde with a large population living in areas defined as the most deprived 15% in Scotland. Other forms of deprivation prevalent in Inverclyde include income where 1 in 5 residents are income deprived and educationally where one fifth of the working age population have no formal qualifications.
- 4.4 The Employability Pipeline enables partners in Inverclyde to provide an integrated approach to employability that avoids the artificial distinction between activities supporting the unemployed and the workless while recognising the important skill needs of local business and its workforce.

5.0 CONTRACTED SERVICES

- 5.1 Currently, three main contractors are appointed by a lotted tender exercise to deliver services on behalf of the Council. More detail on the services delivered is given in section 5 of this report with contract performance for years 2017/2018 and year to date 2018/19 contained within Appendix 1. The Council’s Regeneration Fund wholly funds Lots 2 and 3, with Lot 1 being funded by this fund and the Council’s European Social Fund (ESF) grant award from the European Structural & Investment Fund (ESIF 2014-2020 Programme). Annually, an average of 1,550 clients are supported by these services. The services are as follows -

Lot 1: The End-to-End Employability Service is currently delivered by Inverclyde Community Development Trust £2,262,849. Who provide End to end employability including a range of activities to improve and develop employer engagement

Lot 2: £116,156. The Health Barriers to Employment Service is currently delivered by Stepwell Consultancy Limited who provide Supporting unemployed/inactive with a physical or mental, sensory or learning disability by providing specialist advice, supported employment & job placements.

Lot 3: £65,000. The Employment Advice, Advocacy & Support Service Currently delivered by Inverclyde Advice and Employment Rights who provide service in relation to employment rights and work related issues such as occupational health.

- 5.2 The End-to-End Employability Service provides job seeking advice and support, vocational skills training, and personal development programmes for young people and adults, to improve confidence, motivation and skills to enable progression to employment. A specialist service is available from Inverclyde's *Financial Fitness* organisation. For those more "job ready" there is the Employer Engagement service, providing support with CV's, job applications, and matching suitable clients with local job opportunities.
- A. Specifically for young people aged 16 – 29 years, the ESF Youth Employment Initiative (YEI) is a service aimed at getting young people into employment. The YEI programme incorporates "Future Jobs", which provides fixed term paid work placements within a range of local organisations.
 - B. For those in low paid and/or low skilled employment there is scope to take part in training that can enhance employment opportunities.
 - C. Local businesses are provided with a dedicated Employer Engagement Team, who work with employers to support them to recruit from target client groups. Assistance with all aspects of the recruitment process is available as well as financial support via Wage Subsidy/Employer Recruitment Incentives. A specific YEI Wage Subsidy is available to employers hiring from the 16 – 29 year client base.
- 5.3 The Health Barriers to Employment Service provides specialist services in improving the health, well-being and employment opportunities of local people who have a long term health condition that is preventing them from moving into employment. The service delivers support that enables people to identify their barriers and builds positive coping strategies whilst working on a plan to improve their physical and mental health. Activities available include Stress and Condition Management, Counselling, Mentoring, Vocational Training, Personal Development and Supported Employment/Work Placement opportunities. Working in partnership with a number of local services and employers able to provide specialist client support when needed, ensures a connected quality service is provided for every client's individual needs.
- 5.4 The Employment Advice, Advocacy & Support Service provides via a unique amenity in Inverclyde which supports people in work who are experiencing difficulties with their employer. The service works with the client and their employer at the earliest possible stage, to resolve issues with a view to maintaining the client in employment. The service works in partnership with a range of organisations including Welfare Rights, Local Trade Unions, Legal firms and Occupational Health units to ensure the required mix of expertise is available for an individual client.
- 5.5 Details of the contract performance, against each of these Services is provided in Appendix 1. Table 1 within Appendix 1 details the performance for the period from October 2016 to March 2018 and table 2 contains the performance from April 2018 to August 2018.
- 5.6 In addition to managing these tendered services the Workforce Development team also provide and manage the following services: Modern Apprenticeships, The Graduate Wage Subsidy Programme, Scotland Employer Recruitment Initiative and Community Benefits.
- 5.7 Our Modern Apprenticeship (MA) programme, which is open to young people aged 16-19 years who are able and willing to achieve a Scottish Vocational Qualification (SVQ) at Level 2 or 3. The MA programme offers young people the opportunity to learn new skills, achieve a nationally recognised qualification and enables them to earn as they learn within a range of areas. The MA programme is a practical way to make the most of young people's potential, through a structured training process aimed at equipping them to do a job, whilst providing the opportunity to obtain work based SVQs. The programme is funded by Inverclyde Council and Skills Development Scotland. There are currently 20 Council Modern Apprentices in post and a further 11 being recruited. The Council has funded 11 Graduate placed from April 2016 to March 2018.
- 5.8 The graduate wage subsidy programme offers a number of wage subsidy places available to Inverclyde companies wanting to hire a local young person who has recently graduated. The wage subsidy is for 50% of the actual hourly rate, payable to a maximum of £9,000 or 52 weeks, whichever comes first.

5.9 The total Community Benefits secured between March 2011 and July 2018 are as follows:

New Start Apprentice	Total Working Weeks	New Skilled/Semi-skilled	Total Working Weeks	Total Jobs
30	3603	192	8526	222

6.0 IMPLICATIONS

Finance

6.1 There are no financial implications associated with this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

Legal

6.2 The Head of Legal & Property Services has been consulted on this report.

Human Resources

6.3 None

Equalities

6.4 Has an Equality Impact Assessment been carried out?

YES (see attached appendix)

NO - This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

Repopulation

6.5 Not applicable

7.0 CONSULTATIONS

7.1 None

8.0 LIST OF BACKGROUND PAPERS

8.1 None

Appendix 1

Table 1 Contracted Services Performance October 2016-March 2018

	Contract Information	October 2016 - March 2018 - 18 Month Contract Value/Target	Actual	% on target
Lot 1	Total Number of Clients	2,030	1,828	90%
End-to-End Employability Service:	Of total number of clients, number of Youth Employment Initiative Clients	300	474	158%
	Of YEI Clients, Number Undertaking Future Jobs	100	97	97%
	Total Number of Clients gaining a partial/full qualification	695	626	90%
	Total of Clients progressing to employment	530	420	79%
	Number given Financial Fitness support	540	573	106%
	Number given CLD support	270	223	83%
	Lot 2	Number of clients supported	1020	905
Health Barriers to Employment	Number of clients remaining in employment	720	801	111%
	Number of job retention hearings attended	65	146	224%
	Number of clients with greater awareness of their employment rights	900	905	101%

<p style="text-align: center;">Lot 3</p> <p style="text-align: center;">Employment advice, advocacy and guidance</p>	Number of Clients Supported	70	90	129%
	Number of clients referred from the end-to-end employability service	20	23	115%
	Number of supported employment placements/job placements directly provided	22	22	100%
	Number of clients gaining a vocational qualification	20	30	150%

		52	58	112%
	Number of clients with greater confidence to progress into work			
	Number of clients progressing to employment on leaving the project	10	18	180%

Appendix 1 Table 2 Contracted Services Performance March 2018- August 2018

	Contract Information	12 Month Contract Value/Targets	Actual	% on target
Lot 1 End-to-End Employability Service:	Total Number of Clients	1,050	567	54%
	Clients aged 16 - 29 years	500	242	48.00%
	Clients aged 30+ years	550	325	59.00%
	Of the total, number on waged option programmes	70	36	51%
	Number gaining a qualification	640	110	17%
	Number moving into employment	400	67	16%
	Number of Wage Subsidies to Employers	40	14	35%
Lot 2	Number of clients supported	600	248	41%

Health Barriers to Employment	Number of clients remaining in employment	450	242	53%
	Number of job retention hearings attended	70	39	55%
	Number of clients with greater awareness of their employment rights	500	248	49%
Lot 3 Employment advice, advocacy and guidance	Number of Clients Supported	60	28	46%
	Number of clients referred from the end-to-end employability service	20	7	35%
	Number of supported employment placements/job placements directly provided	18	8	44%
	Number of clients gaining a vocational qualification	20	9	45%
	Number of clients with greater confidence to progress into work	40	19	47%
	Number of clients progressing to employment on leaving the project	14	4	28.00%