
Report To: Environment & Regeneration Committee **Date:** 16th January 2014

Report By: Corporate Director – Environment, Regeneration & Resources **Report No:** E+R/14/01/03/SJ/SL

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Subject: Employability Services – External Contracts

1.0 PURPOSE

- 1.1 The purpose of this report is to update the Committee on the delivery of the contracts funded via the Regeneration Fund Programme 2013-2014, and where considered appropriate seek authority to extend existing contracts for an additional six months.

2.0 SUMMARY

On 7th March 2013 following a full procurement process, Committee gave delegated authority to Corporate Director, Environment, Regeneration & Resources to award contracts for the delivery of employability services from April 2013. One-year contracts were awarded to ICDT Ltd, Inverclyde Advice & Employment Rights (IAERC) and Stepwell Consultancy Ltd with activity commencing on 1st April 2013. The contracts were issued with a stated option to extend by up to six months the period of delivery, dependent on performance.

- 2.1 ICDT Ltd deliver an end-to-end employability service providing a wide range of pre-vocational and vocational training and support, including future jobs, graduate opportunities and employer wage subsidies. Stepwell deliver a specialist supported employment service incorporating activities to help clients manage a range of health barriers and IAERC provide an employment rights service targeted at ensuring clients are retained within their employment.
- 2.2 The Inverclyde Council budget for this activity was previously agreed as part of a three year budget in 2011/12 and we are now entering the third year of that finance. In 2013/14, the total Inverclyde Council funding associated with this activity was £2,138,000 covering contracted and core staff costs.
- 2.3 The end-to-end service incorporates European funding via ESF and ERDF therefore monitoring arrangements ensure compliance with European funding regulations. In 2013/14, the additional European funding for this activity was £361,204 which significantly enhances the range of services.
- 2.4 European finance has been agreed to June 2014, however, beyond that there is no agreed package with Scottish Government and the European Commission. It is anticipated there will be a gap until the new funding is made available in January 2015 – subject to the agreement of the parties involved. Officers at European, Scottish and Local Authority level are working to try and ensure the future ESF and ERDF programmes will be clarified and resources made available at the earliest opportunity.
- 2.5 Accordingly, the purpose of this report is to recommend a six month extension of contract based on 50% of existing Inverclyde Council funding – equates to £1,069,000. This will be augmented by one quarter of structural funds – equates to £90,301. This gives a total budget for this activity of £1,159,301.

- 2.6 The funding package and the range of employability services enable the direct employment of three staff at Inverclyde Council and 49 staff within contractor organisations.
- 2.7 Appendix 1 details current provision within the employability programme and performance against the contractual target. The actual performance of all contracts has been excellent with targets being exceeded in several areas. It should also be noted that these outcomes have been achieved against a backdrop of welfare reform, increased number of active jobseekers, increased number of clients supported who have previously been on incapacity benefits and also in a year when Inverclyde companies posted significant redundancies.

3.0 RECOMMENDATIONS

- 3.1 That Committee note the performance of contracts for the period April – December 2013 as per Annex 1.
- 3.2 That Committee authorise the six month contract extension, subject to final budget approval.
- 3.3 That Committee authorise the Corporate Director Environment, Regeneration & Resources to submit appropriate bids for European Structural Funds as they become available and to accept any offer of grant.

Aubrey Fawcett
Corporate Director – Environment, Regeneration & Resources

4.0 BACKGROUND

- 4.1 When the Fairer Scotland Fund monies terminated in March 2011, Inverclyde Council made budget provision to provide a range of regeneration services. Procurement of employability services took place to cover the period 2011-2013, with contracts ending on 31st March 2013.
- 4.2 Inverclyde Council completed an additional procurement exercise and on 7th March 2013, Committee gave delegated authority to Corporate Director, Environment, Regeneration & Resources to award one year contracts for the delivery of employability services from April 2013. All contracts issued contained an additional option to extend the contract by up to six months – dependent on finance and performance.
- 4.3 ICDT deliver an end to end employability service, including sub contracted activity in conjunction with Financial Fitness and Inverclyde CLD. The range of services include jobseeking support, training, personal development programmes, future jobs & graduate jobs, wage subsidies and employer engagement. Additional specialist support includes debt management, budgeting, literacy and numeracy for job seekers.
- 4.4 Stepwell deliver advice on condition management and supported employment placements, targeted specifically at those furthest from the labour market with significant health issues who require additional support to get back to work.
- 4.5 IAERC provide a range of support for people in work who may be experiencing difficulties with their employer. The organisation will support both the client and the employer to resolve issues and try to ensure the employee is retained.
- 4.6 As part of the tender appraisal a financial assessment was undertaken on all companies, with all passing the minimum requirements and recommended for award of contract.
- 4.7 Appendix 1 demonstrates that providers have delivered and in some instances exceeded the contract requirements. It should be noted that these outcomes have been achieved within the constraints of the Inverclyde labour market and in addition compare well with employability outcomes in other local authority areas.

5.0 FINANCE

5.1 Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
Various	Regeneration Fund	1/04/14 – 30/09/14	£1,069,000	N/A	Core Funding
	ESF	1/04/14 – 1/06/14	£61,615.	N/A	3 Months ESF confirmed
	ERDF	1/04/14 – 1/06/14	£28,686.00	N/A	3 Months ERDF confirmed

Financial Implications – Annually Recurring Costs/ (Savings)

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

6.0 CONSULTATIONS

- 6.1 Procurement has been consulted on the tendering arrangements for Employability services activity.

- 6.2 Legal Services have been consulted on the contractual arrangements with the external organisations.
- 6.3 Partners on the Strategic Employability Group are provided with contract performance information.
- 6.4 Regular finance and performance reports are prepared for the Environment and Regeneration Committee.

7.0 REPOPULATION

- 7.1 Regarding the economic case for repopulation and issues related to unemployment or underemployment in the area; by providing additional training and employment options for all residents we are creating opportunities that will encourage people to stay within the area.

EMPLOYABILITY SERVICES CONTRACTOR PERFORMANCE APRIL 2013 - DECEMBER 2013

Target Performance for Stage of Delivery 75%

EMPLOYABILITY SERVICES							
Contract Title	Contractor	Summary of Activity	Contract Information	2013/14 Contract Value/Targets	Actual	% on target	COMMENTS
PROGRESS	STEPWELL	Supporting unemployed/inactive residents with a physical, mental, sensory or learning disability into sustainable employment by providing specialist health advice and supported employment and job placement opportunities.	Financial	£ 97,500	£ 84,427	86.59%	
			Number of Clients Supported	30	60	200.00%	
			Number of clients referred from the end-to-end employability service	20	16	80.00%	
			Number of supported employment placements/job placements directly provided	10	12	120.00%	
			Number of clients with greater confidence to progress into work	30	53	176.67%	
EMPLOYMENT ADVICE, ADVOCACY AND GUIDANCE	INVERCLYDE ADVICE AND EMPLOYMENT RIGHTS	Delivers services in the field of Employment Rights and Work Related issues including specialist advice, advocacy, and guidance on employment rights including employment law, workplace health & safety and occupational health.	Financial	£ 59,950	£ 49,011	81.75%	
			Total Number of clients supported	670	541	80.75%	
			No of clients remaining in employment	500	413	82.60%	
			No of job retention hearings attended	50	47	94.00%	
			No of clients with greater awareness of their employment rights	670	541	80.75%	
			No of clients with improved self esteem	300	541	180.33%	
INVERCLYDE WORKS	INVERCLYDE COMMUNITY DEVELOPMENT TRUST LTD (ICDT)	Provides a range of activity for those wanting to improve confidence, motivation and skills to enable progression to employment. Pre-vocational and vocational training in a range of sectors provided. Future Jobs, Graduate programme and Employer Engagement/Job Brokerage and in-work support are also provided. Financial Fitness and Community Learning & Development deliver specialist support to clients.	Financial	2,218,478	£1,663,858	75.00%	
			Total number of unemployed/unwaged clients	1,000	760	76.00%	
			Number gaining a partial/full qualification	405	295	72.84%	
			Number progressing to employment	432	286	66.20%	
			Number gaining employment via Job Brokerage	170	131	77.06%	
			Number of Future Jobs	130	143	110.00%	
			Number gaining Financial Fitness support	600	735	122.50%	
			Number gaining CLD support	150	119	79.33%	