

Report To: Environment & Regeneration Committee
Date: 14 January 2016

Report By: Corporate Director – Environment, Regeneration & Resources
Report No: RC/16/01/06/SJ/EB

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Subject: Employability Services – External Contracts – Proposed 6 Month Extensions

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 2015-2016, and where considered appropriate seek authority to extend existing contracts for an additional six months.

2.0 SUMMARY

- 2.1 On 4th September 2014, 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 1st October 2014. Eighteen month contracts were awarded to Inverclyde Community Development Trust (ICDT) Ltd, Inverclyde Advice & Employment Rights (IAER) and Stepwell Consultancy Ltd. The contracts were issued with a stated option to extend by up to six months the period of delivery, dependent on performance and availability of resources.
- 2.2 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 IAER provide an employment rights service targeted at ensuring clients are retained within their employment.
- 2.3 In addition to Council Regeneration Funds, the end-to-end service incorporates funding from both the European 2007-2013 and 2014-2020 Programmes, therefore monitoring arrangements ensure compliance with European funding regulations. In 2015/16 the European funding for this activity is £222,560, which enhances the range of services offered and the type of clients able to be supported.
- 2.4 The purpose of this report is to recommend a six month extension to each of the 3 contracts for the period April – September 2016, using 50% of the 2016/17 Council Regeneration Fund, augmented by 6 months European funding.
- 2.5 The funding package and the range of employability services enable the direct employment of three staff at Inverclyde Council and 47 staff within contractor organisations.
- 2.6 Appendix 1 details current provision within the employability services and performance against contractual targets. 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 period when Inverclyde companies posted significant redundancies.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the performance of contracts for the period 1 October 2014 to 31 October 2015 as per Appendix 1.
- 3.2 That the Committee authorise the six month contract extensions, subject to final budget approval.
- 3.3 That Committee recognise the continued need for Inverclyde unemployed and in-work residents to be supported by Employability activity post September 2015, recognise best value is achieved by procuring these services, and authorise procurement of activity taking place in time to award contracts for delivery of services from 1 October 2015.

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 option to extend the contract by up to six months – dependent on finance and performance.
- 4.3 To provide continuity of service, on 4th September 2014, 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 1st October 2014 for 18 months, with option to extend for a further 6 months to September 2015, dependent on finance and performance.
- 4.4 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 job seeking 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.
- 4.5 Stepwell deliver advice on condition management and provide 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.
- 4.6 IAER provide a range of support for people in work who may be experiencing difficulties with their employer. The organisation supports both the client and the employer to resolve issues and try to ensure the employee is retained.
- 4.7 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.
- 4.8 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 IMPLICATIONS

5.1 Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
	Regeneration Fund	1/04/16 – 30/09/16	£1,076,054	N/A	Core Funding
	ESF	1/04/16 – 30/09/16	£97,000	N/A	6 Months of ESF Employability Pipeline Strategic Intervention allocation of £776K over 4 year period 1/1/15 – 31/12/18.

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

5.2 Legal

None

5.3 Human Resources

None

5.4 Equalities

None

5.5 Repopulation

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.

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 Inverclyde Regeneration & Employability Group are provided with contract performance information.

6.4 Finance and performance reports are prepared for the Environment, Regeneration and Resources Committee.

7.0 BACKGROUND PAPERS

7.1 None

EMPLOYABILITY SERVICES CONTRACTOR PERFORMANCE - 18 MONTHS 1 OCTOBER 2014 - 31 MARCH 2016

Target Performance for 13 Months Stage of Delivery - 1 October 2014 - 31 October 2015 72%

EMPLOYABILITY SERVICES								
Contract Title	Contractor	Summary of Activity	Contract Information	October 2014 - March 2016 - 18 Month 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	£176,390	£137,121	78%		
			Number of Clients Supported	60	98	163%		
			Number of clients referred from the end-to-end employability service	30	17	57%		
			Number of supported employment placements/job placements directly provided	18	14	78%		
			Number of clients gaining a vocational qualification	20	8	40%		
			Number of clients with greater confidence to progress into work	52	80	154%		
			Number of clients progressing to employment on leaving the project	12	5	42%		
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	£ 97,500	£69,051	71%		
			Number of clients supported	1005	855	85%		
			Number of clients remaining in employment	720	697	97%		
			Number of job retention hearings attended	85	90	106%		
			Number of clients with greater awareness of their employment rights	1005	855	85%		
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	£ 3,245,272	£2,343,807	72%	Inverclyde Council and European monies	
			Number of unemployed/unwaged clients	1,385	1316	95%		
			Number of employed clients	165	63	38%	Scheduled last quarter work will move this to on target.	
			Number gaining a partial/full qualification	450	364	81%		
			Number progressing to employment (non job brokerage clients)	550	279	51%	Will progress to on target at December 15.	
			Number progressing to employment (job brokerage clients)	250	148	59%	Will move to on target in November 15.	
			Number of Future Jobs	180	122	68%	Will progress to on target at Feb 16.	
			Number gaining Financial Fitness support	900	492	55%	Will move to on target in December 15.	
			Number gaining CLD support	225	237	105%		