

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

8 FEBRUARY 2022

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

A FUTURE APPROACH TO EMPLOYABILITY

1. Purpose of report

- 1.1 The purpose of this report is to note the success that has been achieved and the difference that has been made to the lives of people throughout the County through the delivery of Employability Bridgend and to seek Cabinet endorsement for the Framework for Future Employability in the Cardiff Capital Region, which builds on the Cardiff Capital Region Employment and Skills plan. The report proposes that the framework be used as the basis for officers to work collaboratively across the Cardiff Capital Region and Wales to secure suitable future resources for employability work that replace those previously available through European Union (EU) funds. The report notes that the Enterprise and Employability Manager to lead for Bridgend County Borough Council (BCBC) on negotiations with appropriate stakeholders in the development of partnership working and associated arrangements. The report also notes the Corporate Director Communities, in consultation with the Corporate Director Education and Family Support, Chief Officer – Legal and Regulatory Services, HR and Corporate Policy and Chief Officer – Finance, Performance and Change will submit proposals to secure resources for employability through appropriate funds and agree partnership working and associated agreements which the Council are able to agree to, in line with the Scheme of Delegation. Any resulting funding offers would be presented to future meetings of Cabinet as considered appropriate for information or decision.

2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:
- **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
 - **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
 - **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 All 10 local authorities in the Cardiff Capital Region (CCR) (BCBC, Vale of Glamorgan County Council (VGCC); Torfaen County Borough Council (TCBC); Blaenau Gwent County Borough Council (BGCBC); City of Cardiff Council (CCC); Caerphilly County Borough Council (CCBC); Merthyr Tydfil County Borough Council (MTCBC); Monmouthshire County Council (MCC); Newport City Council (NCC); Rhondda Cynon Taf County Borough Council (RCTCBC) currently deliver employability activity to support people into employment or to help them progress to more sustainable or better paid employment.
- 3.2 Since 2014, across the CCR, this has supported over 50,000 residents to secure a qualification and has helped almost 15,000 long-term unemployed into employment. Employability Bridgend has contributed to this figure by supporting 4,661 participants, with 1,589 of these entering employment and 1,609 receiving training to further their employment journey. This figure includes 410 not in Employment, Education or Training (NEET) from our most vulnerable communities, with 162 of these finding employment. People experiencing in-work poverty have also been supported locally with 249 residents helped to find a better position in the labour market.
- 3.3 Working alongside Employability Bridgend, Inspire 2 Work has also contributed towards this figure by supporting 876 NEET young people (aged 16 to 24 years old) who were classified by Careers Wales and Job Centre Plus as their 'hardest to reach'. As a result of their respective intervention, 427 young people have successfully progressed into employment (344) or education (83).
- 3.4 For the last two rounds of European Union (EU) funding (2007-2013 and 2014-2020) the employability projects run by Local Authorities, Welsh Government, Further Education (FE) and the third sector have largely been funded from the European Social Fund (ESF).
- 3.5 The ESF programme was split between West Wales and the Valleys (BGCBC; BCBC; CCBC; MTCBC; RCTCBC) and East Wales (CCC; MCC; NCC) This meant that two sub-regional suites of projects had to be developed.
- 3.6 The requirements of ESF funding resulted in different employability projects being created for long-term unemployment, short-term unemployment, NEET, in-work poverty and support for those with work-limiting health conditions or disabilities. This created a number separate projects operating concurrently in different areas within the CCR. A summary of this is presented below:

Summary of Recent EU-Funded Employability Programmes			
	Clientele	Geography	Improvements to
Bridges into Work	<ul style="list-style-type: none"> • Long-term unemployed • Age 25+ 	<ul style="list-style-type: none"> • BGCBC, TCBC, CCBC, BCBC, MTCBC • Non-CF* areas 	<ul style="list-style-type: none"> • Long-term unemployment • Economic Inactivity
Working Skills for Adults	<ul style="list-style-type: none"> • In Employment • Age 16+ • QCF2 or lower 	<ul style="list-style-type: none"> • BGCBC, TCBC, CCBC, BCBC, MTCBC 	<ul style="list-style-type: none"> • In work poverty / career progression

Nurture, Equip, Thrive	<ul style="list-style-type: none"> • In Employment • Age 16+ 	<ul style="list-style-type: none"> • BGCBC, TCBC, CCBC, BCBC, MTCBC 	<ul style="list-style-type: none"> • Underemployment & Work limiting health conditions • Workforce development
Journey 2 Work	<ul style="list-style-type: none"> • Long-term unemployed • Age 25+ 	<ul style="list-style-type: none"> • CCC, NCC, MCC • Non-CF areas 	<ul style="list-style-type: none"> • Long-term unemployment • Economic Inactivity
Skills @ Work	<ul style="list-style-type: none"> • In Employment • Age 16+ • QCF2 or lower 	<ul style="list-style-type: none"> • CCC, NCC, MCC • Non-CF areas 	<ul style="list-style-type: none"> • In work poverty / career progression
Building Resilience, Prosperity & Wellbeing (SWAW)	<ul style="list-style-type: none"> • In Employment • Returning to Work • WLHC 	<ul style="list-style-type: none"> • RCTCBC • Non-CF* & CF areas 	<ul style="list-style-type: none"> • Long-term unemployment • Underemployment & Work limiting health conditions
Communities 4 Work	<ul style="list-style-type: none"> • Age 16+ • AND QCF2 or lower; OR • WLHC; OR • BME; OR • Jobless Household 	<ul style="list-style-type: none"> • Whole CCR • CF areas 	<ul style="list-style-type: none"> • Long-term unemployment • Economic Inactivity
PACE	<ul style="list-style-type: none"> • Economically Inactive • Parents • AND NEET 16-24 OR 25+ 	<ul style="list-style-type: none"> • Non-CF • Whole CCR 	<ul style="list-style-type: none"> • Long-term unemployment • Economic Inactivity
ReAct	<ul style="list-style-type: none"> • Redundant less than 3 months • <16+ hours /week since redundancy 	<ul style="list-style-type: none"> • Whole CCR 	<ul style="list-style-type: none"> • Short-term unemployment • Careers advisory role
Traineeships	<ul style="list-style-type: none"> • Age 16-17 • NEET 	<ul style="list-style-type: none"> • Whole CCR 	<ul style="list-style-type: none"> • Youth Unemployment • Careers advisory role
Active Inclusion Fund	<ul style="list-style-type: none"> • Age 25+ AND • 54+ econ. inactive; • OR BAME & long-term unemployed; OR • Carer & econ. inactive; • OR QCF2 or lower; • OR WLHC 	<ul style="list-style-type: none"> • Whole CCR 	<ul style="list-style-type: none"> • Long-term unemployment • Economic Inactivity • Underemployment & Work limiting health conditions
Upskilling at Work	<ul style="list-style-type: none"> • Employees QCF2 or lower 	<ul style="list-style-type: none"> • Whole CCR 	<ul style="list-style-type: none"> • Developing priority sectors • Career progression
Inspire to Achieve	<ul style="list-style-type: none"> • Age 11-16 • At risk of NEET 	<ul style="list-style-type: none"> • Whole CCR (East & West projects) 	<ul style="list-style-type: none"> • At risk of NEET • Careers advisory role
Inspire to Work	<ul style="list-style-type: none"> • Age 16-24 • NEET 	<ul style="list-style-type: none"> • Whole CCR (East & West projects) 	<ul style="list-style-type: none"> • Youth Unemployment

*CF – Communities First

3.7 Following the United Kingdom's withdrawal from the EU, ESF funding will no longer be available to support projects such as those highlighted above to deliver on-going benefits for individuals, communities and the economy of Bridgend County Borough. Those ESF funded projects that are still active are now entering a closure phase and all projects must close, according to EU rules, by December 2023.

3.8 Information provided by the UK Government Department for Levelling Up, Housing and Communities (DLUHC) indicates that the UK Shared Prosperity Fund (UKSPF) is a domestic successor to the ESF programme. Information provided by the Industrial Communities Alliance (ICA) highlights that the UK Government has indicated that the UKSPF, set to be worth on average £1.5bn a year, is to come into operation in April 2022. This may see a degree of handover between projects depending of timing of launch of new activity and closure of current activity. It is suggested that the UKSPF will help people access opportunity in places in need, such as ex-industrial areas, deprived towns and rural and coastal communities, and for people in disadvantaged groups across the UK. However, the extent to which UKSPF will support employability activity is currently unclear as is the approach that will be taken for the allocation, distribution and delivery of UKSPF resources.

4. Current situation/proposal

4.1 In order to avoid a gap in delivery of much needed employability services it is important that issues relating to employability are clearly understood and articulated so that decisions about the UKSPF reflect the needs of the people, businesses, communities and economy of the County Borough and the wider CCR.

4.2 To support this the CCR Regional Skills Partnership (RSP) have adopted an Employment and Skills Plan. This sets a clear vision of the future skills needs of the CCR and the activities that regional partners need to deliver to achieve this. The value and importance that employers place on 'employability' skills is clearly reflected as is the need to help individuals address their personal barriers to employment to avoid communities being excluded or marginalised in a very competitive labour market.

4.3 To build on this, the 10 CCR Local Authorities have worked together to create a single, clear, consistent framework for future employability projects in the region based on a shared vision, shared principles, and common tools.

4.4 The Framework for Future Employability in the CCR, which is set out in **Appendix 1**, aims to shape a shared vision for an employability service which is:

- Responsive enough to rapidly changing employability trends / priorities
- Flexible enough to still address individual barriers
- Still aligned to local circumstances and still delivered by local teams
- Engaged with industry to support people into more sustainable roles

4.5 Within the framework there is a particular focus on the following challenges:

- Poverty arising from unemployment, under employment and unsustainable employment
- Early Interventions for young people at risk of NEET
- Barriers to high quality sustainable employment faced by adults
- Priority Industry Engagement

4.6 The framework is based on shared principles, set out below, which reflect on the lessons learnt from over 20 years' experience of delivering employability projects across the region.

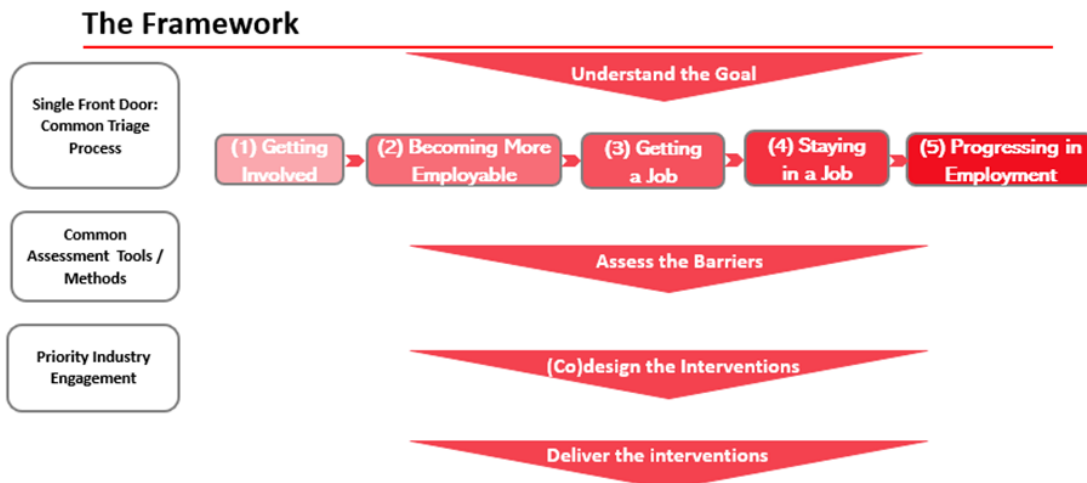
- 4.6.1 **Subsidiarity works:** Local Authority (LA) delivered projects have great penetration into their target communities. LA employability teams have been embedded in communities for over 20 years and so have a strong understanding of residents' barriers, good networks with local support organisations, and are delivered by experienced, well-established (and well-known) practitioners. Local Authority delivered projects have developed good knowledge of local labour markets, and good relations with local and regional employers built over many years. Collectively Local Authorities have networks of thousands of employers who engage employability as part of their recruitment. As a result, local authority teams have been able to select those activities which best work for the participants and businesses in their respective local area.
- 4.6.2 **A trusted brand:** Local authority delivered projects are trusted by participants. Without trust, it is impossible to engage those furthest from the labour market. They are also trusted by local employers because of the positive impact that they have had on local recruitment and upskilling.
- 4.6.3 **Prevention over profitability:** Local Authority led delivery has been motivated by tackling the root causes of participants barriers, however complex and however long that intervention takes. They have been successful at working as part of a wider Early Intervention & Prevention coalition of support agencies, employer networks and early intervention teams (e.g. money advice, benefits, foodbanks, English for Speakers of Other Languages (ESOL) provision, volunteering agencies, adult learning, children's services, education welfare, housing and health & wellbeing advisory services) to help participants.
- 4.6.4 **Continuity of provision is valuable and cost-effective:** Under current EU programmes Local Authority employability teams employ support workers, counsellors and employment liaison officers. Many have developed networks in their local area over 20 years. Collectively there are hundreds of years of experience and local knowledge that would be lost if employability projects were to end. In a profession that relies on building long-term 1:1 relationships with clients, the loss of this expertise could take decades to recover. Add to this the financial cost of decommissioning existing services (office costs, redundancy costs, re-branding) and it is clear that continuity between projects significantly improves the short and long-term cost-effectiveness for the region.
- 4.6.5 **Shared learning adds value:** Over the past two decades strong networks have emerged between employability projects, training providers, higher and further education institutions, the voluntary sector and the business community. Local Authority led provision is effective at working in partnership to deliver in areas where partners have greater expertise, experience of knowledge.
- 4.6.6 **Decades of progress towards real change:** Prior to the Covid-19 pandemic, regional qualifications levels were rising and unemployment was low. Youth employability teams were able to implement a 10-year preventative approach (through successive projects like Prevent, Lift and Inspire) which is benefitting a generation of young people. As a result of intervention, NEET figures were amongst their lowest ever.
- 4.6.7 **Simplified Costs has reduced bureaucracy:** During the 2014-2020 ESF programme, the EU introduced a model of simplified costs called "FR40" which has

had a significant and positive impact on efficiency. FR40 essentially pays 40% of the total staffing costs to the provider to create a fund that can be used for all other non-staffing costs. This allows for the creation of a flexible barriers and training fund that can be tailored to the individual project participants. Local Authorities can now design interventions around a participant's needs and not around a pre-conceived list of compliant purchases.

- 4.6.8 **Assess participants for their “employability” journey, not their “project” journey:** Currently a participant is assessed when they enter each project. Each uses a different approach to determine eligibility and to assess what support to provide to a participant. To some extent this is necessary – the questions asked of an 11 or 16 year-old will be different from those asked of a 30 or 50 year-old. But there should be more commonality between and coordination of assessment tools so that a client can seamlessly move in and out of support at key stages in their employability journey.
- 4.6.9 **Flexible outcomes:** Whilst FR40 has made project delivery more flexible, the current ESF funded programmes are still rigid in their outcomes. The Covid-19 pandemic has again highlighted the need for employability to adapt quickly to changing labour market conditions and priorities (e.g. the flexibility to switch from economic inactivity to unemployment; from long-term unemployment to short-term unemployment; or from unemployment to under-employment). The end of EU funding requirements means that apprenticeships, further learning and volunteering (as stepping stones to employment) could all become more acceptable progression outcomes. Moreover, flexible outcomes can be better aligned to the regional labour market and demography.
- 4.6.10 **One Framework, but not necessarily one Project:** Some projects (particularly Communities 4 Work (C4W)/+) are wider than just employability. Others (particularly the Inspire 2 Achieve reduction of at risk of NEET project) require specialist interventions. Whilst these interact with an employability project, they may also sit alongside rather than within it. They are however, part of the overall employability approach.
- 4.6.11 **Not just a job, but a sustainable job:** - closer alignment with industry. There is substantial change taking place in the economic base of the CCR, accelerated by Covid-19. The employability ‘skills’ needed to work in this emerging economy are also likely to evolve. With the adoption of a regional Employment and Skills Plan, and cluster groups in priority sectors, there is an unique opportunity to improve the alignment between project design and the demands of industry in the local area whilst supporting participants into fair, long-term employment. Analysis has already commenced with Data Cymru and the Regional Skills Partnerships on entry level opportunities within the priority sectors.
- 4.7 Delivery of the Framework for Future Employability in the CCR relies on the use of common approaches, particularly at 5 key transition points:
1. The interface with Pre-16 NEET prevention activity
 2. Recruitment and engagement of participants
 3. Triage and caseworker allocation: understanding the goal and the support available

4. Client assessment process: assessing barriers and what a participant can do.
5. The menu of support and intervention: co-designing and delivering the intervention

4.8 The diagram below shows a representation of the key components of the framework and will simplify the experience for both residents and employers.



- 4.9 It is proposed that Cabinet endorse the Framework for Future Employability in the CCR, which builds on the CCR Employment and Skills plan, and for that Framework to be used as the basis for officers to work collaboratively across the CCR and Wales to secure suitable future resources for employability work that replace those previously available through EU funds.
- 4.10 DLUHC have stated that the Community Renewal Fund (CRF) is a pilot ahead of UKSPF. Therefore, lessons learnt, the model of working and experience developed through the Community Renewal Fund (CRF) project CELT as reported to Cabinet on the 18th January 2022, will form part of the basis for securing future resources.
- 4.11 If, as is anticipated, details on the UKSPF are to be set out in the Levelling Up White Paper, and if the fund is to commence at the start of April 2022, BCBC needs to be in a position to respond accordingly and promptly – to assess the announcement, to identify opportunities, and to develop proposals for consideration.
- 4.12 Cabinet is asked to note that BCBC's Enterprise and Employability Manager will lead for BCBC on negotiations with appropriate stakeholders in the development of partnership working and associated arrangements based on the principle of a collaborative locally delivered, regionally coordinated approach to employability post-EU through the Local Authority (LA) Cluster Group outlined in **Appendix 1**.
- 4.13 Cabinet is also asked to note that in accordance with the Scheme of Delegation the Corporate Director Communities, in consultation with the Corporate Director – Education and Family Support, Chief Officer – Legal and Regulatory Services, HR and Corporate Policy and Chief Officer – Finance, Performance and Change will submit proposals to secure resources through the UKSPF and other appropriate

funds around employability and any other projects developed around employability in accordance with the framework in Appendix 1 and agree any consequential partnership working and associated agreements which the Council has the power to agree to. Any resulting funding offers would be presented to future meetings of Cabinet as considered appropriate.

5. Effect upon policy framework and procedure rules

5.1 There is no direct impact on the Council's policy framework and procedure rules.

6. Equality Act 2010 implications

6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh language. It is therefore not necessary to carry out a full EIA on this policy or proposal at this stage.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The Framework for Future Employability in the CCR demonstrates the sustainable development principle by ensuring that by meeting the needs of the present they do not compromise the ability of future generations to meet their own needs. This is evidenced through the 5 ways of working as follows:

- Long term – endorsement of the Framework for Future Employability in the CCR seeks to understand and mitigate the long-term implications on Bridgend County Borough residents of the withdrawal of EU funding for employability by seeking alternate funding.
- Prevention – working with partners to identify potential replacement funding opportunities.
- Integration – The endorsement of the Framework for Future Employability in the CCR to the well-being goals: An Equal Wales, a Prosperous Wales, and a Healthier Wales. It contributes to the well-being objective of Reducing Social and Economic Inequalities.
- Collaboration – the success of the Framework for Future Employability in the CCR and any future employability projects relies on collaboration with partners across the CCR region including local authorities, Department for Work and Pensions and Welsh Government.
- Involvement – a significant element of the Framework for Future Employability in the CCR involves engaging with local residents, their families and communities.

8. Financial implications

8.1 Endorsement of the Framework for Future Employability in the CCR is not considered at this time to have any direct financial implications for BCBC.

8.2 It is considered that work to undertake negotiations with appropriate stakeholders in the development of partnership working and associated agreements will be undertaken using existing revenue budgets within the Communities Directorate.

- 8.3 In noting that the Corporate Director Communities, in consultation with the Corporate Director – Education and Family Support, Chief Officer – Legal and Regulatory Services, HR and Corporate Policy and Chief Officer – Finance, Performance and Change will submit proposals to secure resources for employability through appropriate funds and agree partnership working and associated agreements it is noted that an element of match funding may be required from BCBC. As it is not yet known at this stage what finance would be required it is considered that any match funding requirement would be confirmed by the Corporate Director Communities, in consultation with Chief Officer – Legal and Regulatory Services, HR and Corporate Policy and Chief Officer – Finance, Performance and Change prior to submission in line with the Authority’s Grant Financial Management Policy.
- 8.4 Any resulting funding offers would be presented to future meetings of Cabinet as considered appropriate.

9. Recommendations

9.1 It is recommended that Cabinet:

- Notes the success that has been achieved, and the difference that has been made to the lives of people throughout the County, through the delivery of Employability Bridgend;
- Approves the Framework for Future Employability in the CCR as set out in **Appendix 1**, which builds on the CCR Employment and Skills plan, and agrees that the framework be used as the basis for officers to work collaboratively across the CCR and Wales to secure suitable future resources for employability work that replace those resources previously available through EU funds;
- Notes that the Enterprise and Employability Manager will lead on negotiations with appropriate stakeholders through the LA Cluster Group set out in **Appendix 1** in the development of partnership working and associated arrangements based on the principle of a collaborative locally delivered, regionally coordinated approach to employability post-EU;
- Notes that in accordance with the Scheme of Delegation the Corporate Director Communities, in consultation with the Corporate Director – Education and Family Support, Chief Officer – Legal and Regulatory Services, HR and Corporate Policy and Chief Officer – Finance, Performance and Change will submit proposals to secure resources through the UKSPF and other appropriate funds around employability and any other projects developed around employability in accordance with the framework in Appendix 1 and agree any consequential partnership working and associated agreements which the Council has the power to agree to;

- Notes that any resulting funding offers will be presented to future meetings of Cabinet as considered appropriate.

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Background documents:
None.