

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	21 June 2022
EXEMPT	No, but Appendix 3 is exempt in terms of paragraph 8
CONFIDENTIAL	No
REPORT TITLE	ABZWorks Employability Plan
REPORT NUMBER	COM/22/120
DIRECTOR	Gale Beattie
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Angela Taylor
TERMS OF REFERENCE	2.1.1

1. PURPOSE OF REPORT

- 1.1 To update members on activity undertaken and planned by the Council's ABZWorks employability team; to seek approval to create a procurement framework for commissioning of employability services to 31 March 2026; and to grant awards of funding to public and third sector organisations delivering paid work experience as part of the Long Term Unemployed Scheme.

2. RECOMMENDATION(S)

That the Committee :-

- 2.1 Notes the changing employability landscape with the with the implementation of the Scottish Government's No One Left Behind (NOLB) strategy;
- 2.2 Notes the employability activity undertaken to date;
- 2.3 Notes the draft Aberdeen Local Employability Partnership Delivery and Action Plans;
- 2.4 Notes that the total employability funding received across all Scottish Government programmes for this financial year is £2.6million;
- 2.5 Instructs the Chief Officer - City Growth to develop a procurement framework and dynamic purchasing system for employability services and note that a report for this will go to the Strategic Commissioning Committee;
- 2.6 Approves the issuing of grant awards to third and public sector organisations to reimburse the wages of those participating in paid work experience through the Long Term Unemployed Scheme; and
- 2.7 Delegates authority to the Chief Officer - City Growth, in consultation with Chief Officer - Finance and Head of Commercial and Procurement, to approve

expenditure of grant funding in paragraph 3.14 for the employer recruitment incentive scheme.

3. CURRENT SITUATION

- 3.1 The employability landscape in Scotland is changing with the implementation of the Scottish Government's NOLB strategy, which sees responsibility for the delivery of employability support being delegated in phases to local government. This seeks to ensure that an inclusive and place-based approach is taken to the provision of employability support and that those furthest from jobs and training opportunities are provided with accessible and appropriate support at the level they require, with a view to reducing the numbers of people experiencing poverty while simultaneously decluttering the landscape. Officers are now supporting the second phase of NOLB.
- 3.2 This change has coincided with challenges as a result of external global events and the impact they have on the Aberdeen economy.
- 3.3 The employment rate was 76.9% in Aberdeen City between January and December 2021 - above the rate for both Scotland (73.1%) and the UK (74.7%), and a rise from the low of 71.8% in the January 2020 to December 2020.
- 3.4 The claimant count unemployment rate for the city has increased from 2.6% in February 2020 to a high of 6.2% by March 2021, above the Scottish rate. By March 2022, rates had fallen to 3.9% in the city, but there continues to be pockets of high unemployment.
- 3.5 Aberdeen City Council was one of only two Scottish Councils to see a rise in the number of children living in low-income families, rising by 14.6% in Aberdeen from 2014/15 - 2020/21, compared with a drop of 11.1% in Scotland as a whole.
- 3.6 The delegation of employability funds to local government, combined with the wider economic challenges, have seen significantly increased demand for the provision of employability support. The numbers of registrations on Council programmes have increased on-year from 46 (2019/ 20) to 71 (2020/ 21) to 375 (2021/ 22). Improved awareness of services has resulted in a steadily growing pool of referral sources. Training providers have also reported increases.
- 3.7 The Council implements a Socio-Economic Rescue Plan in response to the immediate impacts of the Covid-19 pandemic. It had three programme areas: Business, People, and Place. Under 'People' there were 36 actions with a focus on education and access to employability and jobs.
- 3.8 At the height of the pandemic the Scottish Government introduced the Young Person Guarantee (YPG), Partnership Action for Continuous Employment (PACE) Plus funding streams, and Connecting Scotland. In addition, the £14.3m North East Economic Recovery and Skills Fund (NEERSF) was announced by Scottish Government in May 2021 to support the economic recovery of the City Region by supporting businesses, boosting employment,

and enhancing skill levels. The Council is the lead accountable body for delivery.

- 3.9 In 2020 the UK Government launched the Kickstart scheme which provides six month paid work experience to 16-24-year-olds at risk of long-term unemployment. The Council supported employers to access the scheme and operated as a Kickstart employer in its own right.
- 3.10 Information on the delivery by the Council's employability teams is provided in Appendix One.

Procurement

- 3.11 The delegation of employability services to Councils has seen an increase in contracts distributed by the Council. As a result the creation of a local procurement framework and dynamic purchasing system is required so that the Council can respond quickly to current and future demand. It is recommended that a framework is established to the period up to 31 March 2026 so that services may be effectively contracted from a framework of approved suppliers.
- 3.12 Due to the changing and complex needs of employability project participants, the framework will be open to ensure organisations can apply to join it on a regular/ongoing basis and that best value is secured. This will ensure one-off purchases can be made rapidly to suit individual needs.

Long Term Unemployed Scheme

- 3.13 This new Scottish Government-funded programme supports long term unemployed people aged 25+ and facing additional barriers to employment by providing paid work experience placements with third and public sector organisations.
- 3.14 Approval is sought for the issuing of grant awards to organisations employing someone through this scheme. Up to 69 grants of £10,000 per person supported, at a total value of up to £690,000 will be awarded. In order to progress with delivery, and in the absence of available committees around the time of Local Government elections, approval was sought under Delegated Powers to Officers to issue grant letters to 13 employers who have already employed people through the scheme – 46 placements up to a value of £460,000. More information is available in Appendix Three.

Employer Recruitment Incentive (ERI) Scheme

- 3.15 The Local Employability Partnership (LEP) has determined that an ERI scheme should be created to support people, particularly young people, into apprenticeships and other employment types. The number of positions available will be dependent on funding received by the Council and funding for this element will be drawn down from across the Young Person Guarantee, No One Left Behind, and Parental Employability Support funding streams received from Scottish Government and limited to a maximum of £18,000 per recipient

organisation. There is potential for additional funding to be received through, for example, Shared Prosperity Funds, and for that to be used for an ERI.

Local Employability Partnership (LEP)

- 3.16 NOLB Phase 2 included a requirement to implement framework agreements for the creation of strategic LEPs, introducing a requirement to work with defined partner agencies to co-design employability services and develop a Delivery Plan (Appendix Two).
- 3.17 The LEP reports to Aberdeen Prospers as the economy group of Community Planning Aberdeen, which will ratify the Delivery Plan. Scottish Government is developing a framework for training provider forums and how they link with LEPs.

4. FINANCIAL IMPLICATIONS

- 4.1 Ongoing delegation of employability services to Councils has required additional resources and costs. These are met by the relevant funding awarded. The total employability funding received across all Scottish Government programmes for this financial year is £2.6million. The total funding secured through the Kickstart scheme cannot be confirmed at this stage.
- 4.2 Failure to put the required procurement infrastructure in place will result in an inability to meet the demands on the service and the needs of individuals, risking an underspend and having to return money to the Government.

5. LEGAL IMPLICATIONS

- 5.1 Contracts will be put in place with providers of employability services drawn from the procurement framework. The set up of the procurement framework will be undertaken following approval at SCC and with advice from the CPS and CPS Legal team where necessary to ensure compliance with procurement legislation.
- 5.2 The Subsidy Control Act 2022 is due to come into effect in August 2022. The grants awarded through this report will be reviewed by a member of the legal team for compliance with the applicable Subsidy Control regime or legislation prior to issue.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

- 7.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk		No significant risk identified		Yes
Compliance	L	Grant agreements and contract awards with regular monitoring by officers	L	Yes
Operational	L	Creation of local procurement framework, contract management by officers.	L	Yes
Financial	L	Regular monitoring of income stream and spend by officers. Grant agreements and contract awards with regular monitoring by officers	L	Yes
Reputational		No significant risk identified		Yes
Environment / Climate		No significant risk identified		Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	<p>The proposals within this report support the delivery of Policy Statements:</p> <p>Economy: 3. Support the Aberdeen Harbour expansion and work collaboratively to maximise tourism opportunities, including attracting high value cruises and energy transition activity in offshore renewables; 6. Continue to maximise community benefit from major developments; 10. Work with both governments in order to unleash the non-oil and gas economic potential of the city;</p> <p>People: 6. Commit to closing the attainment gap in education while working with partners across the city; 7. Continue to promote diversion activities for youths and adults in the city with enhanced focus on our three locality areas. The paper seeks approval to establish a procurement framework for employability</p>

COUNCIL DELIVERY PLAN

Impact of Report

services, which will provide a range of options to support people to build skills and secure employment or other positive destination while simultaneously supporting the city to address the skills needs of employers, ensure a just transition by equipping city residents with the skills to move into green jobs, both within and outwith the energy industry.

Aberdeen City Local Outcome Improvement Plan

Prosperous Economy
Stretch Outcomes

The proposals support the delivery of all three LOIP Stretch Outcomes: No one will suffer due to poverty by 2026; 400 unemployed Aberdeen City residents supported into Fair Work by 2026; and 500 Aberdeen City residents upskilled/ reskilled to enable them to move into, within and between economic opportunities as they arise by 2026.
The paper outlines work undertaken to support the delivery of these stretch outcomes and seeks approval to create a local procurement framework. It requests approval for payment of grant funds. The report also contains the LEP delivery plan.

Prosperous People Stretch
Outcomes

The proposals support the delivery of Children & Young People Stretch Outcomes 5, 6, 7, and 9 in the LOIP, and all Adult Stretch Outcomes. The paper seeks approval to create a local procurement framework to support the commissioning of employability support services. It also requests approval for payment of grant funds to organisations providing paid work experience placements to long-term unemployed residents. Evidence shows that adults and young people engaging in employability activity and in employment experience better physical and mental health, are less likely to engage in risky behaviours, and have a longer lifespan than those who are not. Appendix One details work being carried out in this regard.

Prosperous Place Stretch
Outcomes

The proposals support the delivery of LOIP Stretch Outcome 13: Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate. It seeks approval to create a local procurement framework to enable a rapid, responsive, flexible approach can be taken to delivery of employability services. It requests approval for payment of grant funds to organisations providing paid work experience placements to long-term unemployed residents.

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
	This, along with work detailed in the report will help to deliver a Just Transition and ensure Aberdeen has the skills base to secure and transition to green industries and jobs.
Regional and City Strategies <u>Regional Strategies:</u> Regional Economic Strategy, Regional Skills Strategy <u>City Strategies and Strategic Plans</u> City Centre Masterplan, Net Zero Routemap, Child Poverty Action Plan (LOIP), Children's Services Plan Aberdeen Autism Strategy	The proposals support a number of strategies by recommending the creation of a local procurement framework and approval for payment of grant funds to organisations providing paid work experience, by helping to: ensure the city has a skilled workforce; reduce the numbers of families in poverty secure positive destinations; and providing commissioned and in-house employability support and interventions.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required
Other	N/A

10. BACKGROUND PAPERS

- 10.1 No One Left Behind Delivery Plan [No One Left Behind: delivery plan - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/no-one-left-behind-delivery-plan/pages/1-introduction-and-what-is-the-plan.aspx)
- 10.2 Community Planning Aberdeen Simulator Summary Report [CP-Simulator-Summary-results-and-Appendix.pdf \(communityplanningaberdeen.org.uk\)](https://communityplanningaberdeen.org.uk/wp-content/uploads/2022/07/CP-Simulator-Summary-results-and-Appendix.pdf)

11. APPENDICES

- 11.1 Appendix 1: Detailed information about employability programmes
- 11.2 Appendix 2: Draft Local Employability Partnership Delivery Plan

11.3 Appendix 3 (exempt): List of third and public sector employers providing placements through the No One Left Behind Long Term Unemployed Scheme.

12. REPORT AUTHOR CONTACT DETAILS

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