



CABINET – 24TH NOVEMBER 2021

SUBJECT: REGIONAL EMPLOYABILITY PROPOSAL

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To consider the report herein, prepared collaboratively by Employability and Skills leads across the Cardiff Capital Region (CCR), in relation to a Regional Employability Proposal.
- 1.2 To seek endorsement from Cabinet for the principle of a locally delivered, regionally coordinated approach to employability post-EU.
- 1.3 To seek approval from Cabinet for the Framework for Future Employability (The Framework) in the CCR as shown in **Appendix A**.

2. SUMMARY

- 2.1 The report was compiled in partnership by colleagues representing employability across the Cardiff Capital Region, to be submitted for approval simultaneously to respective Cabinets for each local authority within the region.
- 2.2 Local Authorities across the Cardiff Capital Region have successfully delivered employability for two decades. These projects have supported tens of thousands of residents into employment, into better paid employment or into further learning; have helped our young NEET residents; and have been a key pillar for early intervention and prevention.
- 2.3 The 2019 Cardiff Capital Region Employment and Skills plan highlights the value and importance that employers place on 'employability' and the key role that it plays in helping residents into the jobs of the future. In light of the recovery from the Covid pandemic this is more important than ever.
- 2.4 Consequently, the Regional Skills Partnership Local Authority Cluster Group have been working collaboratively to produce a new regional framework to guide how employability activities are delivered in the region in future.

- 2.5 The Framework is included at **Appendix A**. It considers the current employability landscape, the lessons from current projects, and the upcoming changes in the policy landscape and labour market. The Framework concludes with the following key principles which are set out in more detail in this report:
- Subsidiarity works.
 - Local knowledge is crucial.
 - The need for a trusted brand.
 - Prevention over profitability.
 - Continuity of provision is valuable *and* cost effective.
 - Shared regional learning adds value.
 - Simplified project costs have been effective.
 - An “employability” journey not a “project” journey has the greatest impact.
 - One framework doesn’t necessarily mean a single project.
 - Employability should not just be seeking jobs; it should be seeking *sustainable* jobs.
- 2.6 The Framework has been approved by the Regional Skills Partnership and Regional Business Council.
- 2.7 With the cessation of the European Social Fund in 2022, if agreed the Framework will form the basis of regional applications for post-EU funding for employability, including through the UK Shared Prosperity Fund when it is launched.

3. RECOMMENDATIONS

- 3.1 That Cabinet:
- i) Approve the principle of a locally delivered, regionally coordinated approach to employability post-EU
 - ii) Approve the Framework for Future Employability in the CCR as shown at **Appendix A**.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that local authorities across the CCR remain at the forefront of delivering employment support following the cessation of current employment programme funding.
- 4.2 To enable the development of a collaborative framework which enables local authorities to respond positively to employability at a regional level within the CCR.

5. THE REPORT

Background

- 5.1 All 10 local authorities in the Cardiff Capital Region (CCR) currently deliver employability activity to support our residents into employment or to help them progress to more sustainable or better paid employment.

5.2 At its core, employability is about removing or minimizing an individual's barriers to finding, maintaining or progressing in sustainable employment whatever that barrier may be. Depending on the individual, this could be any combination of skills (general or occupationally specific), it could be job readiness/awareness, or it could be the availability of support. Diagram 1 illustrates the various barriers around an individual which would be assessed at the initial stage of support, including workplace support, personal support, personal development, work readiness, essential skills and work and work related skills.

Diagram 1: Assessing the Barriers



5.3 Employability activities target the individual, but they impact on families, communities, employers, and the economy too. From an employer's perspective, staff with the right skills, knowledge and attitude can "hit the ground running" and can introduce new thinking on products and processes adding significant value for the company. At a macro-economic scale, employability projects can help prepare the workforce to move from lower demand to higher demand (or higher value) occupations.

5.4 Consequently, employability projects have a positive impact on several economic policy objectives including:

- Early intervention & prevention.
- Child poverty.
- Young people at risk of becoming NEET.
- Preparation for work and long-term unemployment.
- Youth unemployment.
- Short-term unemployment.
- Economic integration of refugees (e.g., REACH).
- Under-employment and work-limiting health conditions.
- Maximising income, in-work poverty & progression.
- Workforce development and employee retention.
- Preparation for entry into RSP priority sectors.
- Economic multiplier effects in town centres.



- 5.5 Additionally, employability projects have impacts beyond the economy. This includes the positive, preventative impact that they have on both physical and mental health which in turn can help to manage demand for other public services (e.g., social care, primary healthcare etc.).
- 5.6 Since 2014, across the CCR, employment programmes have supported over 50,000 residents to secure a qualification and helped almost 15,000 long-term unemployed into employment. The case studies included at **Appendix A** clearly illustrate the impact of these projects on individual lives.
- 5.7 For the last two rounds of 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).
- 5.8 The ESF programme was split between “West Wales and the Valleys” (Blaenau Gwent, Bridgend, Caerphilly, Merthyr Tydfil, RCT and Torfaen) and “East Wales” (Cardiff, Monmouthshire, Newport, Vale of Glamorgan). This meant that two sub-regional suites of projects had to be developed.
- 5.9 The ESF funding was also allocated to individual objectives. This meant that different projects had to be created for long-term unemployment, short-term unemployment, NEET, in-work poverty and support for those with work-limiting health conditions or disabilities. This led to over 15 separate projects operating concurrently in different areas within the CCR. These are summarized at **Appendix A**.
- 5.10 As the UK has now left the EU, ESF funding will no longer be available for these projects from Autumn/Winter 2022 (or Autumn 2023 for certain projects). It is not yet known whether the UK Government’s replacement for EU funds namely the Shared Prosperity Fund, will support employability activity or indeed whether this will continue to be separated into objective-led projects. Nor is the amount or delivery mechanism known at this stage.
- 5.11 Therefore, in advance of any funding bids to the Shared Prosperity Fund, the 10 CCR Local Authorities have sought to create a single, clear, consistent framework for future employability projects in the region based on a shared vision, shared principles, and common tools.

The Proposed Framework: A Shared Regional Vision

- 5.12 In 2019, the CCR Regional Skills Partnership (RSP) adopted an Employment and Skills Plan. This sets a clear vision of the future skills needs of the City Region and the activities that regional partners need to deliver to achieve this.
- 5.13 Employability features strongly. The value and importance that employers place on ‘employability’ skills is clearly reflected. So too is the need to help individuals address their personal barriers to employment to avoid communities being “left behind” in a very competitive labour market. With the impact of Brexit and the Covid-19 pandemic now being felt in the economy and labour market, employability is more important than ever.
- 5.14 To build on this, the employability leads from the 10 local authorities have produced a *Framework for Future Employability in the CCR* 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;
- With 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

5.15 Building on an assessment of “what works well” based on the agreed Shared Principles, it is proposed that the regional framework is delivered by officer teams working within each of the 10 constituent local authorities, and that this forms the basis of the regional funding bid for employability into the Shared Prosperity Fund.

The Proposed Framework: Shared Principles

5.16 The Framework is based on the following shared principles which reflect on the lessons learnt from 20 years of employability projects:

5.16.1 **Subsidiarity works:** Local Authority delivered projects have great penetration into their target communities. LA employability teams have been embedded in communities for over 20 years and 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 they 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.

5.16.2 **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.

5.16.3 **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.

5.16.4 **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 relationship 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 continuity between projects significantly improves the short and long-term cost-effectiveness for the region.

- 5.16.5 **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.
- 5.16.6 **Decades of progress towards real change:** Prior to the Covid-19 pandemic, regional qualifications levels were rising, 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.
- 5.16.7 **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.
- 5.16.8 **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 client will be very different from those asked of a 30- or 50-year-old client. 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.
- 5.16.9 **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.
- 5.16.10 **One Framework, but not necessarily one Project:** Some projects (particularly C4W/+) are wider than just employability. Others (particularly the Inspire 2 Achieve reduction of 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.

5.16.11 **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, we face a unique opportunity to improve the alignment between our project design and the demands of industry in the local area whilst supporting our 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.

The Proposed Framework: Common Tools & Approaches

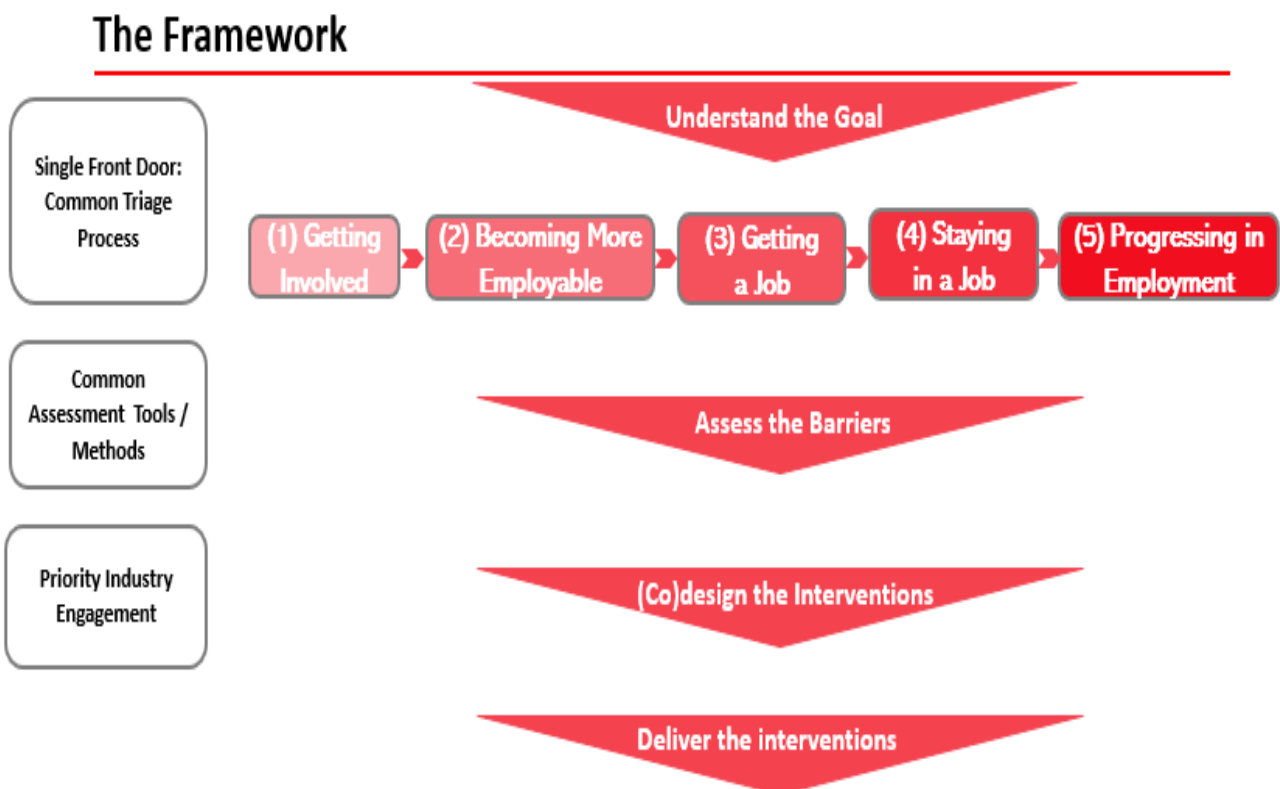
5.17 Delivery of the Framework for Future Employability in the CCR relies on the use of common tools and approaches, particularly at 5 key transition points as follows:

1. The interface with Pre-16 NEET prevention activity.
2. Recruitment & engagement of participants.
3. Triage and caseworker allocation: understanding the goal and the support available.
4. Client assessment process: assessing barriers & what a participant can do.
5. The menu of support & intervention: co-designing and delivering the interventions.

Having a common approach and toolkit is designed to simplify the experience for both residents and employers.

5.18 Diagram 2 illustrates the framework and the process that an individual will follow as they progress through the framework, from the single front door through triage and intervention stages, to employment and employment progression.

Diagram 2: Flowchart showing Framework



Next Steps

- 5.19 To test this new approach, all 10 Local Authorities have submitted a bid jointly, led by Torfaen, to the UK Government Community Renewal Fund (UKCRF). This will test key aspects including:
- Mobile & digital outreach (*recruitment & engagement*).
 - Shared Triage trial (*understanding the goal*).
 - Aligning employability to the CCR's priority industries (*assessing the barriers*).
 - Try before you qualify (*co-designing and delivering the interventions*).
- 5.20 At the current time, we are still waiting to hear whether this joint bid to the UKCRF was successful. Recent indications have suggested that the outcome of the bids will be announced by UK Government by mid-November 2021.
- 5.21 Concurrently, further work will be undertaken in autumn 2021 to co-produce the detail of each shared tool / approach through a series of joint workshops led by LA Employability leads with NEETs leads and other employability partners from the Regional Skills Partnership (Working Wales, third sector groups, Department for Work and Pensions, TUC and WG Skills and Employability team).
- 5.22 This will allow officers to commence preparatory work for a regional submission to the UK Government Shared Prosperity Fund once details of the fund are issued.
- 5.23 Prior to submission, any regional application will be presented to the Regional Skills Partnership, Regional Business Council and Office of the City Deal for consideration.

Risks

- 5.24 As the priorities for the Shared Prosperity Fund (SPF) have not yet been announced, there is a risk that the proposed *Framework for Future Employability in the CCR* will not align to them. To mitigate this risk, officers have carefully reviewed the priorities within the Community Renewal Fund (CRF) which is seen as a precursor to SPF.
- 5.25 Other regional / national entities deliver employability activity and there is a risk for misalignment / duplication. This includes the recent procurement by the Department of Work and Pensions of providers to deliver the *Restart* project; a large employability project which was established in the context of the UK Government's Plan for Jobs post Covid. This project supports Universal Credit claimants who have been out of work for 12-18 months. It is unclear at present how long the Restart project will operate and whether other subsequent employability activity will be delivered by private providers.
- 5.26 To mitigate this risk, officers are actively engaging with other employability agencies operating in the region, including Welsh Government (Skills & Employability), DWP, Working Wales and the third sector. All are supportive of the concepts set out in the proposed *Framework for Future Employability in the CCR* and are keen to work with local authorities on the detail, which will lead to any future SPF funding bid. Officers are working closely with the DWP to minimise competition for participants between current LA and DWP employment projects.

Actions to be taken following decision

- 5.27 LA Employability Lead Officers will continue to engage with other regional employability partners to develop the detailed tools and approaches that would form part of any funding application.
- 5.28 Once an announcement is made on the priorities and bidding process for Shared Prosperity Fund, LA Employability Lead Officers will work with partners to prepare a funding bid for regional employability.
- 5.29 Any draft bid will be brought back to the Regional Skills Partnership, Regional Business Council and Local Authority Cabinets for consideration prior to submission.

Conclusion

- 5.30 The current context of employment support is changing rapidly, with the impending cessation of European funding and the introduction of UK-wide government schemes via the Department of Work and Pensions. Within this context, it is felt that a regional approach to employment support provides a real opportunity to create a meaningful and consistent employment service for customers across the CCR. The framework proposed within this report brings many advantages of collaborative working, including regional offers for training and interventions and improved opportunities to engage with regional employers on a larger scale. As such, The Framework provides a real solution to the problem of unemployment and underemployment for all authorities within the CCR.

6. ASSUMPTIONS

- 6.1 That the priorities of the Shared Prosperity Fund, once released, will align with the priorities of its precursor, the Community Renewal Fund, which have been considered in development of the proposed *Framework for Future Employability in the CCR*.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 A full Integrated Impact Assessment has been completed and can be found on the following link: [Integrated Impact Assessment](#)
- 7.2 The Integrated Impact Assessment has identified that the scheme offers many benefits to individuals across all socio-economic backgrounds. In particular, the move towards a regional framework for employability support brings wider opportunities and allows programmes, employers and individuals to broaden prospects by considering employment at a regional rather than local level. This regional approach also seeks to reduce the economic inequalities that may exist between individual authorities across the Cardiff Capital Region.
- 7.3 Employment offers a sustainable route out of poverty and provides individuals with the resilience and resources to overcome many of the social problems associated with living in deprived communities. In addition, addressing worklessness and

improving the local economy contributes to more cohesive, healthier and prosperous communities. Many individuals and groups who fall under the protected characteristics are often affected to a greater extent by poverty, vulnerability and the related causes; therefore, any provision that provides opportunities for upskilling, training, empowering and participation in/contribution to the local economy is positive.

8. FINANCIAL IMPLICATIONS

- 8.1 It is not yet clear whether the same level of financial resource as is currently available from the ESF will be made available from the SPF.
- 8.2 At this stage, the proposed *Framework for Future Employability in the CCR* is not a funding application. It is a strategic document setting out the principles of how employability activity should be delivered within the region and what it should seek to achieve. Any funding application/s will need to be scaled to the resources available.

9. PERSONNEL IMPLICATIONS

- 9.1 Without certainty on the timescales for a funding decision from the SPF, there is a risk that funding from the ESF may end before replacement funding is in place. This will have enormous implications for staffing levels. Further reports will be brought forward to Cabinet on this matter as the funding landscape going forward becomes clearer.
- 9.2 At this stage, the proposed Framework for Future Employability in the CCR is seeking to agree the principles of how employability activity should be delivered. The implications for any gaps in provision would be considered as part of any subsequent applications for funding once more detail is released on post-EU funding streams.

10. CONSULTATIONS

- 10.1 All consultation responses have been reflected in this report.
- 10.2 The proposed *Framework for Future Employability in the CCR* has been presented to both the Regional Skills Partnership and Regional Business Council.
- 10.3 The proposed *Framework for Future Employability in the CCR* has been endorsed by the 10 Local Authority Directors with responsibility for Economy, Skills and Regeneration.
- 10.4 Initial discussions have been held with DWP, Working Wales and Welsh Government (Skills & Employability).

11. STATUTORY POWER

- 11.1 The Local Government Acts 1998 and 2003.

Regional Report Author: David Leach, Head of Economy and Skills, Torfaen (on behalf of Employability and Skills leads across the CCR)

CCBC Author: Sarah-Jayne Irish, Development and Monitoring Manager, Community Regeneration.

Consultees: Cllr. Eluned Stenner, Cabinet Member for Performance, Economy and Enterprise
Cllr. Ross Whiting, Cabinet Member for Learning and Leisure
Mark S. Williams, Corporate Director (Economy and Environment)
Richard (Ed) Edmunds, Corporate Director (Education and Corporate Services)
Rhian Kyte, Head of Planning and Regeneration
Liz Lucas, Head of Customer and Digital Services
Lynne Donovan, Head of People Services
Sue Richards, Head of Education, Planning & Strategy
Stephen Harris, Head of Financial Services and Section 151 Officer
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Appendices:

Appendix A – Framework for Future Employability in the Cardiff Capital Region