



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

13TH DECEMBER 2021

REGIONAL EMPLOYABILITY FRAMEWORK

REPORT OF THE DIRECTOR OF PUBLIC HEALTH, PROTECTION AND COMMUNITY SERVICES IN DISCUSSIONS WITH CLLR RHYS LEWIS, CABINET MEMBER FOR STRONGER COMMUNITIES, WELLBEING AND CULTURAL SERVICES

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1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to gain Cabinet approval for the principle of a locally delivered, regionally coordinated approach to employability after European funding has ended.

2. RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Notes the content of the report:
- 2.2 Endorses the principle of a locally delivered, regionally coordinated approach to employability post-EU funding.
- 2.3 Approves the Framework for Future Employability in the Cardiff City Region (CCR) as outlined in sections 4.4 – 4.8 and Appendix A.

3. REASONS FOR RECOMMENDATIONS

- 3.1 All 10 Local Authorities in the CCR deliver employability programmes to support our residents into employment or to help them progress to more sustainable or better paid employment. Together we have supported tens of thousands of people across the CCR into employment, into better paid employment and into further learning and played an important role in early intervention and prevention.

- 3.2 There is a history of co-operation and collaboration between Local Authority partners across a range of European-funded programmes; and Lead Employment Support Officers from the 10 Local Authorities meet regularly as a Local Authority Cluster group under the Regional Skills Partnership. This ensures that good practice is shared, relevant information on employment and skills is disseminated, and it has provided opportunities for regional collaboration, for example, most recently in the development of a successful joint application for £1.9 million funding to the Community Renewal Fund.
- 3.3 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. 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. If approved, this will place us in a good position for accessing future funding opportunities when they become available.
- 3.4 The approach outlined in the Framework for Future Employability has been approved by the Regional Skills Partnership and the Regional Business Council.
- 3.5 It should be noted that the Framework for Future Employability outlines the principles to be adopted – any future application(s) for funding will need further approval from each Local Authority's Cabinet prior to submission to a funding body.

4. BACKGROUND

- 4.1 Since 2014, across the CCR, EU-funded programmes have supported over 50,000 residents to secure a qualification and have helped almost 15,000 long-term unemployed into employment.
- 4.2 European Funding is ending in 2022/23. In order to plan ahead and prepare for changes, Local Authority Lead Officers who sit on the Regional Skills Partnership Local Authority Cluster Group developed a discussion paper - 'Shaping Employability to Achieve the Vision of the CCR Employment and Skills Plan' (Appendix A) – that sets out:
- What is employability?
 - What have employability programmes achieved?
 - How employability has been delivered in CCR
 - Lessons learnt from EU Programmes – what worked well and what could be improved;
 - The future context for employability;

- An employability framework fit for the future – priorities for future delivery;
 - Conclusions and next steps.
- 4.3 In Rhondda Cynon Taf, this paper was shared with the key services who deliver employability programmes to ensure that relevant officers were able to contribute to the document and the approach under development.
- 4.4 There are **3 elements** to the proposed Framework:
- A shared vision;
 - Shared values;
 - Common tools and approaches.
- 4.5 The Framework proposes a **shared vision** for a regional 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.
- 4.6 The Framework has been based on the following **shared principles** which reflect lessons learnt from 20 years of experience delivering employability projects:
- **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 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 we have networks of thousands of employers who engage with

employability programmes 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.

- **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.
- **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 to help participants.
- **Continuity of provision is valuable and cost-effective:** Under current EU programmes Local Authority employability teams employ support workers, counsellors and employer 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.
- **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.
- **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.
- **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.

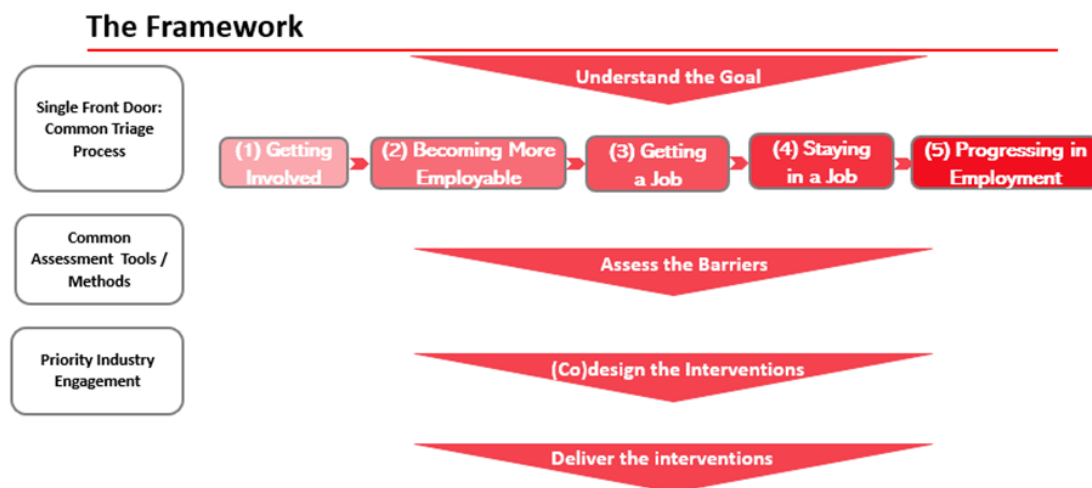
- **Assess participants for their “employability” journey, not their “project” journey:** Currently a participant is assessed when they enter each project. Each uses a different approach to determine eligibility and to assess what support to provide to a participant. To some extent this is necessary – 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 move seamlessly in and out of support at key stages in their employability journey.
- **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.
- **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.
- **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 including supporting regional apprenticeship and graduate opportunities. Analysis has already commenced with Data Cymru and the Regional Skills Partnerships on entry level opportunities within the priority sectors.

4.7 It is proposed that delivery of the Framework for Future Employability in the CCR will use **common tools and approaches**, particularly at 5 key transition points:

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

4.8 The diagram below shows a representation of the key components of the framework. It will be noted that the 5-step process already used in Rhondda Cynon Taf is an integral part of the Framework:



5. NEXT STEPS

5.1 Key aspects of this new approach will shortly be tested now that the regional application for funding to the Community Renewal Fund, led by Torfaen County Borough Council, for £1.9 million pounds has been approved by UK Government. (Rhondda Cynon Taf's Cabinet approved the submission of this application – Connect, Engage, Listen, Transform - on 17th June 2021).

- 5.2 Further work is currently being undertaken to co-produce the detail of each shared tool / approach through a series of workshops led by LA Employability leads and inviting 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). Feedback from our Council representatives on these workshops has been very positive and supportive of the approach being developed.
- 5.3 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.
- 5.4 Any draft regional application will be presented to the Regional Skills Partnership, Regional Business Council and Local Authority Cabinets for consideration prior to submission.

6. RISKS

- 6.1 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 these priorities. To mitigate this risk, officers have carefully reviewed the priorities within the Community Renewal Fund (CRF) which is seen as a precursor to SPF.
- 6.2 Other organisations deliver regional/national employability programmes and there is a risk of misalignment or duplication. To mitigate this risk, officers have started engagement 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 the 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 projects.
- 6.3 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.

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.

- 6.4 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 implications for staffing levels.

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.

7. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY

7.1 An Equality Impact Assessment has been completed and can be seen at Appendix B.

8. WELSH LANGUAGE IMPLICATIONS

8.1 A Welsh Language Impact Assessment has been completed and can be seen at Appendix C.

9. CONSULTATION / INVOLVEMENT

9.1 The proposed 'Framework for Future Employability in the CCR' has been presented to both the Regional Skills Partnership and Regional Business Council.

9.2 It has been endorsed by the 10 Local Authority Directors with responsibility for Economy/Skills/Regeneration.

9.3 Initial discussions have been held with the Department of Work and Pensions, Working Wales and Welsh Government (Skills and Employability)

10. FINANCIAL IMPLICATION(S)

10.1 There are no financial implications aligned to this report.

11. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

11.1 There are no legal implications aligned to this report.

12. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

12.1 The approach advocated in this report will contribute to the delivery of our Corporate Plan priority of helping people into work and better paid employment by:

- Working with partners to provide employment support;
- Offering specific support to help people find work such as care leavers, people with disabilities and Universal Credit claimants.

In addition, the impact of being in employment has wider benefits than just on the individual, the positive effects can be seen on families and communities. Sustainable, good quality work reduces poverty and the adverse effects of poverty on individuals and their families.

12.2 The importance of improving the employability of individuals and enhancing their skills is featured in a number of regional and national strategies and policy documents including:

- CCR Employment and Skills Plan 2019;
- CCR Industrial and Economic Growth Plan;
- Welsh Government Employability Plan;
- Welsh Government Programme for Government;
- Welsh Government Regional Framework in Wales after Brexit;
- Welsh Government One Million Welsh Speakers.

12.3 The proposal is well-aligned to a **long-term** way of working:

- By supporting households into employment and helping to sustain and improve the quality of that employment, employability activity is a key part of the suite of early intervention & prevention activities. This reduces the likelihood of long-term challenges resulting from deprivation, adverse childhood experiences, and unemployment.
- This regional employability framework introduces a mechanism for priority industry engagement aligned to the Regional Skills Partnership priority sectors. This mechanism is specifically designed to support participants not just into a job, but into a sustainable, long-term career pathway.
- The regional employability framework is a response to some long-term emerging threats including the impact of Covid-19 on the future labour market, the impact of Brexit on the future labour market, the changing nature of retail, and the introduction of industry 4.0 and increased automation.

12.4 The proposal is also well-aligned to a **preventative** way of working:

- Employability activity supports young people who are “at risk” of becoming NEET based on well-established risk factors. By intervening early, employability programmes help to prevent generational unemployment.

- Employability activity supports people to progress in their employment, helping to address issues of in-work poverty before they result in a participant feeling forced to leave the labour market.

12.5 The proposal is well-aligned to an **integrated** way of working as the regional framework seeks to embed employability as part of the suite of activity used to address a number of policy objectives including:

- **Adverse Childhood Experiences, Child Poverty & Community Deprivation:** Pre-16 reduction of risk of NEET activity helps young people to access the skills, support and readiness to embrace long-term and sustainable employment, and break often generational cycles of unemployment. Similarly, programmes to support people into employment and to progress in employment help to raise families' income and lift communities out of poverty.
- **Regional Economic Performance.** This employability framework is aligned to regional labour market demand and is based on an assessment of the strengths, weaknesses, opportunities and threats within the regional labour market. Aligning employability activity to the needs of economy will help businesses to grow, employ people, and sustain local incomes.
- **Integration of Refugees.** This employability framework is aligned to activity like REACH and to ESOL provision.
- **Supporting population health & wellbeing.** This employability framework retains a focus on supporting those with work-limiting health conditions as well as promoting general wellbeing within employment. It is widely referenced that sustainable employment improves population health outcomes.

12.6 The proposal is also well-aligned to a **collaborative** way of working. It has been jointly developed by LA Officers from the 10 authorities in South East Wales and has been considered by the Regional Skills Partnership and Regional Business Council. Having been developed by the regional cluster group, it is particularly focussed on ensuring that there is a coordinated and joined up employability offer across the region. As the proposal develops further engagement, collaboration and co-design will take place with FE, Independent Training Providers, HE and the third sector.

12.7 The proposal is also well-aligned to an **Involving** way of working. The assessment of what has worked well and what has not worked well is based on participant experiences and case studies as much as statistical data. In addition, the proposal is based on empowering the teams closest to delivery to design the framework, strategy &

programmes as is evidenced by the recent workshops that have been held to discuss the common toolkits.

12.8 The proposal will contribute to the following Well-being goals:

- **A Prosperous Wales** - Delivering employability support to local residents will support them to gain employment and/or improve their positions within the workplace thereby increasing their income. It will also potentially have an effect on the productivity and growth for companies in the region.
- **A Resilient Wales** – employability programmes support community resilience by building sustainable employment within communities, reducing inequalities between communities.
- **A Healthier Wales** - Employment is widely seen as a positive wider determinant of health. Employability programmes support people, including those with work-limiting health conditions, to enter and progress in employment. They also help to lift people and their families out of poverty which is also seen as a determinant of health.
- **A More Equal Wales** – Employability programmes help people to fulfil their potential no matter what their background or circumstances, for example programmes provide specific support to those in deprived communities, those with disabilities or work-limiting health conditions and those for whom English is a second language.
- **A Wales of Cohesive Communities** – employability programmes support people to develop a range of skills, including digital skills that will enable them to be better connected.
- **A Globally responsible Wales** - Employability programmes will work closely with priority industries to help steer the labour market towards those growing industries. Many of these industries focus on developing products that will support global health (med tech, life science etc) or reduce greenhouse gas emissions (e.g. e-mobility).
- **A Wales of Vibrant Culture and Thriving Welsh Language** – adopting a regional approach will provide more opportunities for people across the region to access the support they need through the medium of Welsh as partners can share their resources and specialist knowledge about the Welsh language sector and enhance their links with organisations that can deliver training in the medium of Welsh. This will also support the increasing number of businesses in the SE Wales region that identified a need for bilingual staff.

13. CONCLUSION

- 13.1 Local Authorities across South East Wales have developed extensive expertise over the past twenty years in supporting their residents to improve their employability, develop their skills and gain and progress in work. With European funding coming to an end there is an opportunity to agree the principles of a regional approach to future employability that is consistent with the CCR Employment and Skills Plan.
- 13.2 These principles, if approved, can form the basis of future regional applications for funding that will benefit individuals, communities and businesses across South East Wales.
- 13.3 The success of the recent regional application for £1.9 million to the Community Renewal Fund (the largest allocation under CRF in Wales) is an example of what can be achieved together in a highly competitive funding market.

Other Information:

Relevant Scrutiny Committee

Finance and Performance Scrutiny Committee

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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REGIONAL EMPLOYABILITY FRAMEWORK

Background papers: None

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