

# Finance and Resources Committee

3.00pm, Tuesday, 4 December 2018

## Edinburgh Targeted and Integrated Employability Service

Item number	7.12
Report number	
Executive/routine	
Wards	All
Council Commitments	<a href="#">2</a> , <a href="#">3</a> , <a href="#">7</a> , <a href="#">31</a>

### Executive Summary

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On [7 June 2018](#), the Housing and Economy Committee, approved the development of a service specification and procurement for provision of a new service to replace the Integrated Employability Service (IES).

A procurement process has since been completed for the new service; Edinburgh targeted and Integrated Employability Services (ETIES). This report seeks approval by the Finance and Resources Committee to award a contract to a consortium led by Community Renewal Trust.

The contract will commence in April 2019 for a period of two years, with options to extend for a further two periods of 12 months each.

The estimated maximum contract value is £3,600,000. The actual contract value will depend on performance-related payments.

It is intended that the contract will be partly funded by the European Social Fund (ESF). Should ESF funding not be confirmed, the contract value and targets will be amended accordingly.

## Edinburgh Targeted and Integrated Employability Service

### 1. Recommendations

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#### 1.1 Finance and Resources Committee

- 1.1.1 approves the award of a contract to a consortium of providers led by Community Renewal Trust, a Scottish Charitable Incorporated Organisation (SCIO), for provision of the Edinburgh Targeted and Integrated Employability Service. The contract will commence in April 2019 for a period of two years, with options to extend by two additional periods of 12 months each. The estimated maximum contract value is £3,600,000. The actual contract value per annum will depend on performance-related payments; and
- 1.1.2 notes that it is intended that the contract will be partly funded by the ESF. If ESF funding is not confirmed, the contract value and targets will be amended accordingly.

### 2. Background

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- 2.1 The Council works with internal and external partners to promote inclusive economic development through the Edinburgh and South East Scotland City Region Deal, Joined-up for Jobs network, Edinburgh Guarantee (DYW) Partnership and Locality Partnerships.
- 2.2 The Council's IES annually supports over 2,000 unemployed and workless individuals into learning or work, with a focus on the most disadvantaged communities.
- 2.3 The IES is partly funded through ESF funding and is currently provided under contract by Edinburgh College, supported by Community Renewal Trust. The current contract expires 31 March 2019.
- 2.4 The Council's Housing and Economy Committee considered a report on reviews of employability services on 7 June 2018. The Committee noted the co-production exercise that had been undertaken to update, develop and realign the service specification for the IES; considered the findings; and endorsed progression to specification development and procurement of a replacement service.

### 3. Main report

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- 3.1 Over the course of the first six months of 2018, a review and co-production was undertaken, producing a revised specification for a service to replace the IES. The new service will provide a more focused and targeted approach to employability services and will be known as the Edinburgh Targeted and Integrated Employability Service (ETIES).
- 3.2 A series of consultations and co-production events with stakeholders, including service users, took place between February and May 2018. In June, the Housing and Economy considered the outcome, and authorised the development of a new service specification and procurement process.
- 3.3 The Council published a Contract Notice and Invitation to Tender (ITT) on 18 July 2018 and arranged a provider briefing for interested parties on 6 August 2018.
- 3.4 Six bids were received by the tender deadline on 5 September 2018.
- 3.5 Tenders were assessed on qualification criteria, including financial probity, then technical and commercial content, with a weighting of 70% quality and 30% cost, to determine the most economically advantageous offers.
- 3.6 Bids were scored as follows:

	Quality	Cost	TOTAL
<b>ETIES Consortium led by Community Renewal Trust</b>	58.63	28.07	86.70
<b>Provider A</b>	54.25	28.79	83.04
<b>Provider B</b>	53.38	29.04	82.42
<b>Provider C</b>	41.13	29.65	70.78
<b>Provider D</b>	38.50	30.00	68.50
<b>Provider E</b>	29.75	28.07	57.82

- 3.7 Members of the ETIES Consortium are:
  - 3.7.1 Community Renewal Trust Ltd;
  - 3.7.2 Start Scotland Ltd - End to end delivery partner across all SW and SE localities. Consortium Board Member;
  - 3.7.3 Cre8te - Specialist provider for digital skills and self-employment. Consortium Board Member;
  - 3.7.4 Citizens Advice Edinburgh - Specialist provider for employment retention, employment rights advice, and benefits advice co-location. Consortium Board Member;

- 3.7.5 Bingham & District 50+ Project - Specialist partner engaging and supporting people over 50;
  - 3.7.6 One Parent Families Scotland - Specialist partner engaging and supporting lone parents;
  - 3.7.7 Bruce Robertson Training Ltd - Specialist partner offering vocational training; and
  - 3.7.8 CEL Trading Ltd (part of Community Enterprise), trading as BOLD - Marketing.
- 3.8 A summary of tendering and tender evaluation processes is provided in Appendix 1.

#### 4. Measures of success

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- 4.1 The main aim is to establish an integrated employability service that makes better use of resources and increases positive and sustainable employment outcomes for Edinburgh's citizens.
- 4.2 The focus of activity will be on areas of multiple deprivation in the city with targeted support which will support the Economy Strategy aims of inclusive economic development, resulting in:
  - 4.2.1 More effective targeting of those needing intensive employability support
  - 4.2.2 A focus on reducing inequality
  - 4.2.3 Reduced in-work poverty
  - 4.2.4 Improved integration with other services (including childcare)
  - 4.2.5 Improved local services and integration with Locality Improvement Plans.
- 4.3 The success of the service will be measured against Key Performance Indicators (KPIs) contained in the new service specification. Payment will be related to performance and the achievement of specific outcomes. Annual targets are:

<b>Full or part-time job entry</b>	250
<b>In-work progression or retained employment</b>	180
<b>Education (course leading to a group award)</b>	150

#### 5. Financial impact

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- 5.1 The estimated maximum contract value is £900,000 per annum, with £3,600,000 the maximum expected cost of the whole contract. The actual contract value per annum will depend on performance-related payments that account for just over 50% of the total maximum value.

- 5.2 The Council elements of the contract cost can be contained within the allocated budget for this programme.
- 5.3 ESF currently contributes 40% matched funding towards the cost of the IES contract. In order to take account of the UK decision to leave the EU, commonly referred to as “Brexit”, Council officers are in contact with the Scottish Government and are awaiting written confirmation that funding from the ESF or HM Treasury will be made available and will be applied to the ETIES contract until 2022. If ESF or HM Treasury funding is not forthcoming, the contract award will be reduced in terms of both monetary value and targets.
- 5.4 The costs associated with procuring this contract are estimated at between £10,001 and £20,000.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 The use of a cross-council collaborative approach and significant co-production with stakeholders and service users has helped to minimise risk and ensure there is no service disruption, only enhancement.
- 6.2 Co-production has encouraged new stakeholder and provider relationships and co-operative working to support a partnership response to this requirement.
- 6.3 The contract will be entered into with the nominated lead organisation and all members of the consortium/partnership, who will each be required to execute the Contract together with all ancillary documentation, evidencing their joint and several liabilities in respect of the obligations and liabilities of the Contract.
- 6.4 The new contract supports the following Council commitments:
  - 6.4.1 Create the conditions for businesses to thrive. Invest in supporting businesses, social enterprise, training in hi-tech, creative and other key sectors including co-operatives. Help link business with young people to ensure the workforce of the future is guaranteed work, training or education on leaving school.
  - 6.4.2 Work with the business community to grow the number of Living Wage employers year on year.
  - 6.4.3 Improve access to employment and training opportunities for people with disabilities.
  - 6.4.4 Expand training opportunities for adults and young people linking with colleges and expanding vocational education.
- 6.5 The Capital City Partnership will be responsible for contract management and will monitor performance throughout the duration of the contract.
- 6.6 Open dialogue with the current contract provider (Edinburgh College) and the new supplier (subject to approval) will take place. This will ensure a smooth transition to the new service and reduce any risk of service disruption.

- 6.7 In regard to General Data Protection Regulations (GDPR), the terms and conditions of contract include schedules relating to processing, personal data and data subjects (schedule 11) and terms relating to data controllers (schedule 12). These schedules will be completed prior to the award of contract.

## **7. Equalities impact**

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- 7.1 An Integrated Impact Assessment (IIA) was completed under the supervision of the project board that also oversaw the review and co-production process.

## **8. Sustainability impact**

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- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below.
- 8.2 The proposals in this report will neither reduce nor increase carbon emissions.
- 8.3 The need to build resilience to climate change impacts is not relevant to the proposals in this report because there are no related matters for consideration.
- 8.4 The proposals in this report will help achieve a sustainable Edinburgh, because service users will receive support to gain or maintain employment and to access targeted opportunities for advancement.
- 8.5 Environmental good stewardship is not considered to impact on the proposals in this report, because there are no related matters for consideration.
- 8.6 The preferred bidders have offered to provide a range of community benefits related to the contracts, including use of community venues and community services; staff volunteering within communities; targeted recruitment (young people); promotion of job opportunities through local agencies; training; and community engagement and education.

## **9. Consultation and engagement**

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- 9.1 The review and subsequent co-production of the service specification has been a fully consultative process that included and took account of input from key stakeholders, service providers and service users.

## **10. Background reading/external references**

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- 10.1 [Report to the Housing and Economy Committee 7 June 2018](#)

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## **11. Appendices**

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Appendix 1            Summary of Tendering and Tender Evaluation Processes

**Summary of Tendering and Tender Evaluation Processes**

Contract	Edinburgh Targeted and Integrated Employability Service CT2381	
Contract Period	From April 2019 for two years, with options to extend for a further two periods of twelve months each.	
Estimated Contract Value	£3,600,000 (including extensions)	
Procurement Route Chosen	Open Procedure – any interested party can tender	
Tenders Returned	6	
Name of Recommended Supplier	ETIES Consortium led by Community Renewal Trust	
Cost / Quality Split	Cost 30%	Quality 70%
Evaluation Criteria and Weightings and reason for this approach	<p>The project board considered quality to be of paramount importance for service provision and consequently attributed a weighting of 70% for evaluation of technical proposals (quality).</p> <p>With a lower weighting attached to cost, Value for Money was protected by:</p> <p>(a) linking payment to performance for just over 50% (up to £470,000 per annum) of the estimated maximum contract value; and</p> <p>(b) setting a price ceiling of £430,000 for the annual fee component, which makes up the balance of the overall cost. Fee offers ranged from £371,950 to £430,000.</p>	
Evaluation Team	Council Officers from Place and a representative from Capital City Partnership	