

Finance and Resources Committee

10.00am, Thursday, 3 December 2020

Contract Extensions for Edinburgh Employability Services

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 Finance and Resources Committee are asked to:
- 1.1.1 approve the extension of the Supported Employment and Complex Needs Service contracts, via a waiver of Contract Standing Orders (CSOs), for a six-month period from 1 April 2021 until 30 September 2021, with the option to extend for up to a further six-month period if required from 1 October 2021 until 31 March 2022 at a total maximum value of £1,846,748; and
 - 1.1.2 note that the Edinburgh Targeted and Integrated Employability Service (ETIES) is also under review and will be extended as per the current contract terms until 31 March 2022 with the option to terminate with six months' notice if a replacement service is required.

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Contract Extensions for Edinburgh Employability Services

2. Executive Summary

- 2.1 The Council funds third party services to support Edinburgh citizens to access and progress along the Employability Strategic Skills Pipeline with the goal of securing and sustaining training and employment.
- 2.2 Due to significant changes in the labour market and the new operational context as a result of Covid 19, three of these services are being reviewed using a co-production methodology to ensure they remain fit for purpose and value for money:
 - 2.2.1 Supported Employment Service (All in Edinburgh);
 - 2.2.2 Complex Needs Employability Service (EnCompass); and
 - 2.2.3 Edinburgh Targeted and Integrated Employability Service (Next Step).
- 2.3 This report seeks approval to extend the current Supported Employment and Complex Needs Employability Services contracts, via a waiver of CSOs, for a six-month period from 1 April 2021 up until 30 September 2021, with the option to extend for up to a further six-month period if required from 1 October 2021 until 31 March 2022. This is to allow sufficient time to consult with clients and providers to perform the review and to re-procure replacement services if required.
- 2.4 The current Edinburgh Targeted and Integrated Employability Service (ETIES) contract already has provision in the terms for a one-year extension from 1 April 2021 up until 31 March 2022. There is an option to end the contract early, giving the current provider six months' notice, should a replacement service be required following the review being undertaken.
- 2.5 The Supported Employment Service and ETIES contracts are currently partly funded by the European Social Fund (ESF).

3. Background

- 3.1 The Council's Business Growth and Inclusion (BGI) Team works with internal and external partners through the Edinburgh and South-East Scotland City Region Deal,

Joined-up for Jobs network, Edinburgh Guarantee (Developing the Young Workforce) Partnership and Locality Partnerships to promote inclusive growth.

Supported Employment Service

- 3.2 The Council currently funds a Supported Employment Service , with 40% matched funding from ESF. It follows the Scottish Government's five stage Supported Employment model.
- 3.3 The Supported Employment Service is a pan-disability service, supporting over 950 people per annum. It ensures a "no wrong door" approach for anybody with a disability or long-term health condition who is looking to secure, sustain and, where appropriate, progress in employment.
- 3.4 The current service is delivered by All In Edinburgh, a consortium of four organisations (ENABLE Scotland, Forth Sector, The Action Group and IntoWork) with ENABLE Scotland being the lead contractor. The current contract is due to end on 31 March 2021.
- 3.5 The current [contract](#) commenced on 1 April 2015 for an initial period of four years with the option to extend for a further two years. The extensions in the original contract terms end on 31 March 2021

Complex Needs Employability Service

- 3.6 The Council currently funds a Complex Needs Employability service.
- 3.7 The service provides a range of supports to over 200 people per annum with complex barriers to accessing and sustaining education, training or employment. The service is for those in recovery from substance misuse, previous offending behaviour, homelessness and other complex issues.
- 3.8 The service is currently delivered by Access to Industry under the name of 'EnCompass' and is based in city centre premises with outreach provision where required. The current contract is due to end on 31 March 2021.
- 3.9 The current [contract](#) commenced on 1 April 2017 for an initial period of two years with the option to extend for a further two years. The extensions in the original contract terms end on 31 March 2021.

Edinburgh Targeted and Integrated Employability Service (ETIES)

- 3.10 The Council also funds ETIES, with 40% matched funding from ESF.
- 3.11 The service aims to support over 1,100 people per annum who are short-term unemployed or facing in-work poverty. It helps them to secure and sustain employment and upskills unemployed and workless individuals into learning or work.
- 3.12 ETIES is delivered by Community Renewal Trust under the name of "Next Step" and focuses on reaching out to the most disadvantaged communities in Edinburgh. The initial two-year term of the current contract is due to end on 31 March 2021, and there is an option to extend the contract for a further year until 31 March 2022.

If the service is no longer required it can be terminated by giving the current provider six-month's notice.

- 3.13 The current [contract](#) commenced on 1 April 2019 for an initial period of two years until the 31 March 2021. The contract terms provide the option to extend for up to a further two periods of 12 months. The contract can be terminated if required by providing six months' notice

4. Main report

- 4.1 The procurement plans that were underway are being revised to take account of the changing labour market conditions due to the Covid-19 pandemic. Additional time is required to fully consult the market and review the revised contract requirements for these three services.
- 4.2 Approval of a six-month extension to the current contracts, via waiver of CSOs, with Access to Industry and ENABLE Scotland up to 30 September 2021, with the option to extend for up to a further six months to 31 March 2022, is sought to ensure these essential services for vulnerable Edinburgh citizens are maintained while co-production and re-procurement takes place.
- 4.3 The review of all three services is underway, and the extension is being sought to ensure any new employability contract/s meet future labour market requirements. The extension to the existing contracts will build extra capacity within the potential tender process to:
- 4.3.1 review and develop new specifications to take account of any Covid-19 requirements, and learning from delivery of the services during the pandemic;
 - 4.3.2 carry out a full analysis of current labour market requirements and any new funding available as result of Covid-19; and
 - 4.3.3 complete any required tendering processes and manage the transition to the new contract/s.
- 4.4 Current providers have been consulted throughout this process, with the intention to re-procure and are being encouraged to partake in the co-production process to help shape the services.

5. Next Steps

- 5.1 If Committee approves this extension, the contracts with Access to Industry and Enable will be extended to 30 September 2021.
- 5.2 The co-production and procurement process will be continued and it is planned, subject to Committee approval, any new contracts will be in place from 1 October 2021.
- 5.3 It is however recognised that the timescales involved in the coproduction and commissioning are ambitious. There may also be unknown delays due to Covid-19 or Brexit implications. To allow for any delays during the coproduction or tendering

process, the option for an additional up to six month extension to 31 March 2022 is requested.

- 5.4 It is planned however that any replacement services required are in place by 1 October 2021 to meet budget requirements, provide certainty to providers and ensure suitable replacement services are in place as quick as possible to meet the changing labour market requirements.
- 5.5 A further report will be presented to the Housing Homelessness and Fair Work Committee in January 2021 on the emerging needs of any replacement services required.

6. Financial impact

- 6.1 The cost of extending these contracts from 1 April 2021 to 30 September 2021 would be:
 - 6.1.1 Complex Needs - £123,983;
 - 6.1.2 Supported Employment - £799,391; and
 - 6.1.3 ETIES - £450,000.
- 6.2 The maximum additional costs for any extension for the six-month period 1 October 2021 to 31 March 2022 would be no greater than those detailed in 6.1 above.
- 6.3 The contract costs will be met from the Council's revenue budget and external funding as appropriate.
- 6.4 ESF currently contributes 40% matched funding towards the cost of the Supported Employment and ETIES contracts. ESF funding is currently approved by the Scottish Government for these contracts until 31 March 2022 with a potential extension until 2023 if funds are available. The eligibility of the replacement UK Shared Prosperity Fund is not yet available to determine whether this will be able to be used towards funding these services in the future.

7. Stakeholder/Community Impact

- 7.1 All three services to be extended were originally commissioned using a co-production methodology. The review and subsequent procurement and any replacement service specifications required will again be co-produced. This will be undertaken through a fully consultative process that includes and takes account of input from key stakeholders, service providers and service users.
- 7.2 An Integrated Impact Assessment and Data Protection Impact Assessment will be completed to input into service specifications, if required.

8. Background reading/external references

8.1 None.

9. Appendices

9.1 None.