

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 1 December 2022

Contract Extensions for Activity Agreement Hubs and Joint Co-Production with No-one Left Behind – Phase 3

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that Housing Homelessness and Fair Work Committee:
 - 1.1.1 Approve the extension of the existing Activity Agreement Hub Grants, for a 12-month period from 1 April 2023 until 31 March 2024, at a total maximum value of £200,000.00;
 - 1.1.2 Note that preparation is underway for No One Left Behind (NOLB) Phase 3 funding that is expected to sit within local authorities from 2024 onwards, at an expected value of £1m annually for the City of Edinburgh Council; and
 - 1.1.3 Approve the joint co-production for NOLB Phase 3 and the existing Activity Agreement service with relevant stakeholders and citizens. The anticipated service start date for NOLB Phase 3 and the revised Activity Agreement Hubs service is from April 2024 onwards.

Paul Lawrence

Executive Director of Place

Contact: Lucy Pearson, Business Growth and Inclusion Contracts and Programme Manager

E-mail: lucy.pearson@edinburgh.gov.uk | Tel: 07834 619 640



Report

Contract Extensions for Activity Agreement Hubs and Joint Co-Production with No-one Left Behind – Phase 3

2. Executive Summary

- 2.1 This report seeks approval to extend the current five Activity Agreement Hubs for a 12-month period from 1 April 2023 until 31 March 2024, at a total maximum value of £200,000.00.
- 2.2 This is to allow sufficient time for a joint co-production process for the Activity Agreement Hubs and NOLB Phase 3 implementation.

3. Background

- 3.1 Currently, a blended third sector and internal employability delivery model is utilised in Edinburgh.

Activity Agreement Hubs

- 3.2 The Council currently funds Activity Agreement (AA) Hubs via Scottish Government NOLB funding with £200,000 split equally across five organisations per year.
- 3.3 On [31 October 2019](#), the Housing, Homelessness and Fair Work Committee approved the current delivery of the AA Hubs. In June 2021, officers were notified that one of the providers was unable to meet their obligations and wished to withdraw from the agreement. As reported to Committee on [2 September 2021](#), a quick small grants process was undertaken and from two bids, one provider was selected to deliver services in North West and North East Edinburgh (excluding the wider Leith area) since then.
- 3.4 The Hubs are currently delivered via Third Sector providers Barnardos, Canongate Youth, Citadel, CHAI and Dunedin Canmore, with support from City of Edinburgh Council staff.
- 3.5 Collectively they support up to 160 young people at risk of leaving school without a positive destination annually. The hubs aim to increase young people's confidence,

by engaging them in Stage 1 activity and supporting their progression along the Employability Strategic Skills Pipeline.

No One Left Behind Phase 3

- 3.6 Currently, Fair Start Scotland is Scotland's devolved employment support service. Fair Start Scotland provides 12-18 months of tailored, flexible, and person-centred pre-employment support to people who want help to find and stay in fair and sustainable work.
- 3.7 The service also works with employers to help with recruitment and support for the employer and their new employee by offering up to 12 months in-work support.
- 3.8 As part of the Scottish Government rollout of NOLB Phase 3 is expected to be implemented from April 2024. This phase entails the ending of Fair Start Scotland and funding would be allocated to Local Authorities to implement services locally, in alignment with local employability strategies.
- 3.9 The current Fair Start Scotland contract is valued at £15m annually. Based on the assumption that the full amount is transferred to Local Authorities and using the same allocation methodology as for other NOLB funding, this translates to approximately £1m of funding for City of Edinburgh Council.

4. Main report

- 4.1 The role of AA Hubs need considered in the context of changes to the employability funding landscape and the impact of the pandemic on young people's aspirations since they were originally commissioned in 2019.
- 4.2 Meanwhile, the implementation of NOLB Phase 3 will allow the Local Employability Partnership to consider an expansion of the existing Job Strategy for Edinburgh.
- 4.3 A full co-production process, combining the two, will allow a greater insight in how existing delivery can be best complemented with NOLB Phase 3 funding in order to strengthen Edinburgh's Strategic Skills Pipeline and tackle the inequalities associated with barriers to employment.
- 4.4 To allow time to conduct an in-depth and joint co-production process, it is recommended to extend the current AA Hubs services by 12 months, until the end of March 2024. This would allow a year to do full joint co-production with relevant stakeholders and citizens, while minimising disruption and allowing a continuation of service for all young people currently engaged in AA Hubs during the period of co-production.
- 4.5 The existing providers are performing well and targets for last year were all exceeded (Appendix 1) and a similar level of performance in 2022/23 is expected.
- 4.6 The anticipated service start date for NOLB Phase 3 and updated AA service is April 2024.

5. Next Steps

- 5.1 If Committee approves the recommendations of this report, the grant agreements with the current five AA Hub providers will be extended to 31 March 2024.
- 5.2 The joint co-production will commence for NOLB Phase 3 and AA services. This will be led by a steering group made up of members of the Local Employability Partnership who have a strategic overview of employability delivery in the city.
- 5.3 Current AA Hub providers will be consulted throughout this process and will be encouraged to partake in the co-production process to help shape the services. All funding information will be published on The Joined Up for Jobs Noticeboard and Public Contract Scotland, as appropriate.
- 5.4 A further report will be presented to the Housing Homelessness and Fair Work Committee in Autumn 2023 outlining recommendations for approval. If approved, new provisions would commence in April 2024.

6. Financial impact

- 6.1 The cost of extending these contracts from 1 April 2023 to 31 March 2024 would be £200,000. This cost will be met from the Scottish Government's NOLB allocation.
- 6.2 The current national programme spend for Fair Start Scotland is circa £15m. The Council's allocation for NOLB Phase 3 is yet to be confirmed by the Scottish Government but, based on the assumption that the full amount is transferred to Local Authorities and using the same allocation methodology as for other NOLB funding, this translates to approximately £1m of funding for City of Edinburgh Council.

7. Stakeholder/Community Impact

- 7.1 All AA Hubs to be extended were originally awarded 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 input from key stakeholders, service providers and service users.
- 7.2 An Integrated Impact Assessment and Data Protection Impact Assessment will be completed as part of the coproduction exercise for input into service specifications.

8. Background reading/external references

- 8.1 [No One Left Behind Delivery Plan.](#)
- 8.2 [Fair Start Scotland - Statement.](#)
- 8.3 [Fair Start Scotland – Employment Support.](#)

8.4 [Fair Start Scotland 3 Year Reports and Delivery Stats.](#)

9. Appendices

9.1 Appendix 1 - Overall performance of the five Activity Agreement Hubs in 2021/22.

Appendix 1: Overall performance of the 5 Activity Agreement Hubs in 2021/22

New Engagements		Clients Supported		Individual Clients Achieving an Outcome		Total jobs	
Target	Actual	Target	Actual	Target	Actual	Target	Actual
164	174	220	249	110	118	22	30