

Dundee City Council for Dundee Partnership

A Step Change in Improvement of Employability Outcomes in Dundee Project

Final Report

February 2016



Richard Scothorne
Director

Rocket Science UK Ltd
2 Melville Street
Edinburgh EH3 7NS

07774 141 610
richard.scothorne@rocketsciencelab.co.uk

Rocket Science and the galaxy
logo are registered trademarks of
Rocket Science UK Ltd.

Contents

Executive Summary.....	3
1 Context and background.....	8
2 The socio-economic context.....	15
3 Reframing the ‘Dundee Pipeline’	22
4 What works?.....	25
5 The preventative approach.....	26
6 Developing a ‘whole service’ approach.....	34
7 Practical action required	56
8 Towards a world class service.....	69
9 Conclusions and recommendations.....	73
Appendix 1: Socio economic and employment analysis.....	78
Appendix 2: Performance of the DCC/ESF pipeline in Dundee.....	111
Appendix 3: The cost of unemployment in Dundee	128
Appendix 4: Interviews carried out.....	129
Appendix 5: Output from Dundee Partnership Forum.....	131

Executive Summary

Rocket Science were appointed to identify ways of enhancing the outcomes from employability support in Dundee. In this Final Report we describe:

- The policy and socio-economic context for the development of an enhanced employability approach in Dundee
- How outcomes can be improved by:
 - Reframing of the ‘Dundee Pipeline’
 - Putting in place a coherent ‘whole service’ approach to employability
 - Taking practical action in key areas across this service
- The main areas for action by the Dundee Partnership agencies.

There are seven main features of a new approach to employability in Dundee which will lead to improved outcomes:

- Creating a coherent design for a city wide ***‘Dundee Employability Service’*** which incorporates the services of all organisations and providers and assesses performance on both the outcomes achieved and the experience of both the employer and the individual client. This will provide the partners with a way of pinpointing the interventions needed to improve performance. The premise behind this service design is that all the partners in Dundee need to work closely together to create a coherent and progressive service which understands and responds to the needs of each individual client and to the needs of employers. One of the ways of helping partners assess the coherence and performance of this all-organisation service will be to collect and analyse regular feedback from both employers and individual clients.
- We have placed a ***detailed understanding of the labour market*** at the heart of this new design. This will draw on both current data and a wide range of existing engagements with employers. There will be a shared interpretation of this information and an understanding of the main areas of demand will infuse every part of the service and so contribute to better decision making by school pupils and those seeking work, an improved match between training and employer needs, and a better match of recruits with vacancies.
- Reframing the current ***‘Dundee Pipeline’*** from being mainly a way of contracting and monitoring a part of employability resources in Dundee (DCC/ESF funding) to being a framework for all employability resources. This will provide the Local Employability Partnership (Employability Group) with a practical way of understanding:
 - The current array of services and resources, how well they complement each other and where the gaps and overlaps are
 - Where each provider and their services fits in and who they need to relate to perform effectively
 - What the current resource distribution is like and how this may need to change

- Where the strong and weak points are in terms of performance and what needs to change to improve performance.
- Focusing the Employability Group on the **active management of the performance of the whole service**. All the main agencies and providers will report on their performance to this group in an open and transparent way, highlighting areas of good and weaker performance. The partners will work together to identify actions to respond to areas of weaker performance, responsibility for action and how they will assess whether the response has produced the required improvement.
- Ensuring that *the actions of each partner on service design, delivery and commissioning are carried out collaboratively* to ensure that individual services make up a comprehensive and coherent whole.
- Creating a shared *Dundee wide approach to the development of a wide range of work experience and job placements* which provide either destinations or stepping stones to permanent jobs for those seeking work.
- Using *a preventative approach* to service design, targeting and delivery *by identifying and prioritising those at risk of long term unemployment*.

Dundee is not starting from scratch – we have identified a wide range of good practice and some of the actions we recommend are about learning from these and scaling them up or transferring them elsewhere.

Within the proposed service we have identified the following areas for action and we describe these in this report. These actions can be summarised as follows:

- Improving the *understanding of the current and emerging labour market* and infusing all parts of the employability service with this shared source of reliable insight and intelligence. This will combine existing data sources with a wide range of insights drawn from those working with employers across Dundee, mainly through an annual workshop of all relevant staff. This should lead to:
 - Improved decision making by pupils
 - Improved match between advice/training and the market
 - Improved match between recruits and employer needs
 - Employers more confident of finding the right staff – more jobs?
 - Greater likelihood of sustainability in work
- Creating a *'whole service' focus in terms of performance management*. The Employability Group will be supported in its performance management role by regular independent telephone surveys of employers and individual clients to gain feedback on their experience of the service.

For employers this will explore:

- The quality and responsiveness of service
- The quality and match of recruits

- Any scope for improvement.

For individual clients this will explore:

- The quality and responsiveness of service – did it understand and respond to your specific situation and needs?
 - The extent to which a clear pathway for progress was developed and agreed?
 - The extent to which clients felt in charge of their progress?
 - The extent to which they have had the support they needed along the way?
 - Have they gained a job and to what extent does it match their skills and aspirations?
- Recognise the significance of micro businesses (employing less than 10) by:
 - Increasing the investment in HR support for micro-businesses to help them realise job creation potential and growth
 - Piloting a micro-business academy with FSB/members to help clients gain the distinctive skills and behaviours that will help them thrive in a micro-business and contribute effectively:
 - Reliability
 - Team-work
 - Appreciation of demands on business leader
 - Flexibility and responsiveness
 - Range of skills.
 - Working with the FSB to help micro business owners further strengthen their management skills with the aim of enhancing business performance.
 - Exploring ways of helping micro businesses to engage with schools to promote the value of enterprise and the appeal of working in a smaller business – and the skills required to thrive in this employment.
 - ***Strengthening the match between recruits and employer demand*** by
 - Building on academy approach and good practice in Dundee:
 - Coordinating academy approaches
 - Creating a strong ‘Dundee approach’ to academy design, delivery and performance through co-design with employers and the regular review and adoption of learning to ensure a best practice model.
 - Pioneering an independent ‘graduate school’ which takes all work ready clients and tests for ‘job readiness’ to refine the match between recruits and the needs of employers:
 - Those graduating can be confidently recommended to employers
 - Those not graduating will receive detailed, supportive feedback and personalised development.

- ***Supporting progress in work*** by the creation of a career advancement service and by working with businesses in key sectors to improved productivity and skills, so providing opportunities for progression to more secure and higher paying jobs.
- Ensuring a ***strongly targeted approach*** – at those individuals most vulnerable to long term unemployment and those areas which have the highest unemployment – by clear and agreed targeting of support:
 - Improving the coordination of Stage 1/2 services in areas of highest unemployment
 - Building on current joint asset-based training to create a shared team approach across local services
 - Targeting clients based on risk assessment – those particularly vulnerable to long term unemployment or at risk of losing their job.
- Ensuring the ***availability and quality of front line support*** by
 - Developing a partnership approach to front line staff training as a long term investment
 - Exploring the scope to build on current volunteering approaches.
- Enhancing service quality and relevance through ***designing approaches with clients***. This will ensure that the client voice is significant in the design and delivery of services:
 - It will build on – and form an integral part of – the asset-based approach
 - It will apply to the service as a whole, individual services within it and engagement with each client
 - It will be built into joint staff development.
- Encourage more effective approaches to design and delivery by creating an innovation fund, with an open brief – attracting bids for ‘something worth trying’ that builds on evidence and may ***deliver more sustainable, better (higher paid, more skilled), quicker outcomes***.
- Using a ***preventative approach*** to service design and delivery as part of the strongly targeted approach above by:
 - Enhancing work to identify and support young people at risk of unemployment
 - Identifying early those who are unemployed and at risk of becoming long term unemployed
 - Identifying those who find work who are at risk of not sustaining their progress in work and becoming unemployed again.

The approach has important practical implications for both the Community Planning Partnership and Dundee City Council:

- Each of the CPP partners needs to commit to making the changes required – and ensuring that their staff are clear about this priority and that playing a full role in the transformation will be a key expectation of staff.

- Dundee City Council has a number of key services, an important ‘employability footprint’ and an important leadership role. What this means is that the Council needs to:
 - Fulfil its strategic leadership role
 - Maximise its own impact on employability through its role as an employer, commissioner and provider of key services
 - Play an important role as a contributor to the creation of an infrastructure for service delivery that can encourage and support the integration of services around the needs of individuals, families and neighbourhoods.

This Report provides the background research and strategic context for the work of 7 Working Groups which will be developing jointly agreed action plans which cover the areas for action identified above.

1 Context and background

In this section we summarise the policy context for a new approach to employability in Dundee.

The policy and programme context

The approach taken by the partners in Dundee needs to take account of the changing policy and programme context. The main features of this are:

- **Welfare reform**, which involves a range of changes to welfare status, eligibility and funding, together with the introduction of Universal Credit.
- The **devolution to the Scottish Government of DWP's programmes** for long term unemployed people and those with disabilities and the Scottish Government's proposed 'Scottish Approach' in terms of developing a successor programme.
- The response by the Department for Work and Pensions (DWP) to the need to find **significant funding reductions** as a consequent of the Comprehensive Spending Review in November 2015.
- Related to this, the **financial constraints on the other public partners**, including the City Council.
- The implementation of the recommendations of the Wood Commission following the publication of **Developing the Young Workforce**, the Scottish Government's response to the Wood Commission's Report.

Welfare reform

- For many on benefits there has been a reduction in income - and for many of these the reductions will get larger. For those who are unemployed, the largest reductions in income focus on those with disabilities or with large families. But for many others affected by smaller reductions the aggregate effect may create a much wider problem of indebtedness and it is this broader impact that will have the greatest effect on the city. For those in work the reductions in working tax credits together with the increase in the proportion of low paid and zero hours contracts mean that gaining work may no longer provide a route out of poverty, so progression in work to higher paid jobs (and/or more hours) is becoming increasingly important.
- Universal Credit combines a number of benefits into one payment that will vary by income for those who are in employment – as advised by employers. It reduces the marginal tax rates that apply as income increases and is therefore aimed at helping to smooth the path to work. In other words it should increase the likelihood that increasing work income will more than replace reducing benefit income. In addition the whole payment (eg including housing benefit) is made to a nominated member of a household so there is a greater requirement for effective budgeting by households – the aim being to help households develop the practices they will need to have in place when they are being paid in employment.

Universal Credit in Dundee is being applied currently to the simplest cases and is using a parallel software system to that which will manage Universal Credit for all in due course. Although the UK Government has re-committed to the introduction of Universal Credit there remain some doubts about whether it will be possible to introduce the complex software required to deal with more typical households and its live information requirements.

There are a number of practical implications of these changes that need to be considered:

- Many of those on benefits (in and out of work) are facing reductions in income. This is likely to lead to increased demands on support services and may be related to a need either to get a job or, for those in work, to increase hours or make progress to better paid jobs. For others it could be about money management and debt advice. There is a clear risk that the reductions will lead to increased household stresses if it does not prove possible to reduce costs (eg by moving to a smaller home) or increase income (eg by gaining a job or working more hours).
- The DWP stresses the significance of the array of welfare reforms in encouraging new forms of behaviour. However, the opportunity for the changes to become reflected in ‘behaviour change’ may be challenged by the both the skill levels of claimants and the quantity and range of jobs on the market.

Devolution of Work Programme and Work Choice

The Scottish Government recently completed a consultation on the best way of responding to the opportunity of designing and procuring a devolved successor to DWP programmes for long term unemployed people (Work Programme) and those with disabilities (Work Choice). The consultation document made clear that the Scottish Government sees this next step of devolution as an opportunity to explore how a successor programme can fit into and complement wider employability support which it calls the ‘Scottish Approach’.

Work Programme is important because it is the main source of support for long term unemployed people. This client group was traditionally the main focus for action by local authorities and their partners, and the introduction of what has become in practice a separate and distinct service has left partnerships struggling in terms of an appropriate focus, given that most shorter term unemployed people find work with relatively little support.

The successor programme to the Work Programme in England and Wales – the Work and Health Programme – has now been announced and it now seems likely that it will be in place in September/October 2017. It has a focus on those clients who are most distant from work and/or face health barriers to employment. This much tighter focus is likely to be reflected in the design of the devolved successor programme in Scotland as part of the wider proposed ‘Scottish Approach’ – not least because the funding is significantly lower than for the combined funding for Work Programme and Work Choice.

The ‘Scottish Approach’ to the successor programme is likely to involve a greater integration of this national service into local partnership action. This does not mean that it will be locally procured – procurement is likely to be at a regional basis in Scotland – but the approach in Dundee needs to be able to incorporate the successor programme as part of a wider collaborative service with the aim of enhancing performance – particularly for those furthest from work.

The Scottish Government see a more coherent and distinctive ‘Scottish Approach’ as having six features:

- A focus on those furthest from work
- An emphasis on the quality of jobs (eg a bonus for placement in Fair Work may be a possibility) and on progression in work (eg to Fair Work or higher qualifications and responsibility/pay)
- A shift to prevention
- A shared monitoring system – able to review and share performance, lessons and outcomes/cost
- Strengthened links between economic development, employability and skills
- A sustained shift in school/employment connections as part of a much greater exposure of pupils to the ‘world of work’.

Reductions in DWP budgets

The DWP was among the ‘unprotected’ Departments that were required to identify significant cuts in spending as part of the November 2016 Comprehensive Spending Review (CSR). The outcome was a cut in their administration budget of 14% - with an explicit mention of the savings that could be achieved by co-locating their Jobcentres with partners’ services. However much more substantial cuts are proposed to the combined Work Programme and Work Choice budget, and the proposed Scottish approach is currently being re-thought in the light of the much greater than expected cuts.

To respond to the required spending cuts DWP has been carrying out a fundamental review of how their spend aligns with that of others and they are developing a strong focus on joint working with others who engage with those who are unemployed. There is a particular focus for this around the joining up of support for unemployed people with disabilities and the health at work agenda (supported in Scotland by NHS Health Scotland through Healthy Working Lives). This has now been reflected in the CSR announcement that the joint DWP/Department for Health Work and Health Unit will receive £115 million of funding, including at least £40 million for a Health and Work Innovation Fund, to pilot new ways to join up across the health and employment systems. It is not clear to what extent this spend will be reflected in a Scottish budget.

The purpose of this work is both to tackle the ‘gap’ between work placements for people with disabilities and that for other clients (the former have a placement rate which is half that for other clients), and reducing the drop out from jobs of those who face health issues – in terms of both physical and mental health.

This creates an opportunity for new kinds of ways for JCP to work with partner organisations. Although this also means that there is a strengthening focus on reducing benefit payments (rather than necessarily finding people work) this creates some opportunities for some radical cost benefit based approaches to how JCP staff carry out their work (eg could they become part of the ‘asset based’ approach?), how they can intervene earlier with those at risk of long term unemployment, and how they can contribute to approaches that reduce in work tax credits by supporting progression in work.

These budget cuts will drive accommodation savings on the JCP estate and will create an opportunity in Dundee for collocating Jobcentre Plus alongside a range of related services.

Practical implications for the successor programme

The Scottish Government is currently working through the way in which it will design and deliver a devolved successor programme as part of a wider ‘Scottish Approach’. In the meantime it is worth noting the practical implications of the successor programme – the Work and Health Programme – that has been announced for England and Wales as these will be reflected in any likely approach put together by the Scottish Government.

The most important implication is that the *Work and Health Programme (WHP) – and the successor programme in Scotland – will be very different from Work Programme and it is important to approach it as a new kind of programme*. The client group for WHP is exactly the group which has been failed by Work Programme – in other words those furthest from work who have in many cases been ‘parked’ because even the significant difference in potential financial reward has not incentivised the provision of support.

So the task will be very different. There will be much more emphasis on assessment and the management of a client’s route and progression through a range of services – and on coordinating services around the needs of individual clients and their households. So staff skills and administrative systems will need to be very different. And because many clients will have disabilities there will be a need to help employers meet clients half way in terms of adaptations of approach and work places and the provision of appropriate support in work.

Finally, the programme will only succeed if there is a different kind of relationship between local mainstream providers and WHP/successor programme contractors. There have been real issues around this in terms of Work Programme across the UK, including Scotland – with most Local Authorities refusing to collaborate locally and many local and national services unable to provide support as they have seen this as unpaid while enhancing WP performance and so Prime Contractor income. It will be important for WHP/successor programme to develop a new kind of local persona particularly where the Prime Contractor is a private sector organisation. This is likely to involve both a different kind of financial model (which includes the explicit sharing of income) and an integrated model of partnership behaviour around the needs of individual clients.

So the most significant features of the new service are likely to be the following:

- There will be a much greater need for the service to be ***integrated locally with mainstream and specialist services***. Recent work on City Deals – and bids from some areas for the devolution of aspects of Work Programme – has recognised that the main way in which Work Programme performance for those furthest from work could be improved is by embedding the service in a genuinely integrated array of local services. This will have a number of important practical implications:
 - The need to develop ***agreed approaches to the assessment of client needs*** and associated design of personalised routes to work that can be shared between a number of providers
 - The need to ensure the ***effective ‘account management’ of clients*** through a progressive route to (and through) work which will involve a number of providers – including mainstream services, specialist services, and sub-contracted services
 - The need to help clients get to the point where they are ***able to make a contribution in the workplace from the time of their recruitment*** – and compete with more experienced people who are looking for work or for a change of role.
- A greater emphasis on ***developing working relationships with a wide range of employers*** and providing post recruitment support to both clients and employers to ensure both that appropriate adaptations can be made in the workplace and that new recruits become embedded in the world of work and are helped to make progress towards more secure and better paid roles.
- There will need to be a ***financial model which allows non-contracted partners to gain reward from providing support*** which enhances WHP/successor programme outcomes and therefore income – or, possibly in Scotland, new forms of contractor models which use private/public consortia approaches to share rewards.

This has significant implications for potential providers of WHP/successor programme in terms of the required approach:

- The choice of partners/sub-contractors will need to take into account the very different requirements of the WHP client group. The fact that an organisation has been part of a WP supply chain will be no guarantee that they will be able to perform with this client group (as WP performance has been weak overall for those most distant from work). Partners/sub-contractors will need to be able to display a track record in terms of:
 - Building successful relationships with mainstream providers
 - Working with those most distant from work and their specialist requirements
 - Getting those most distant from work to a position where they can compete for jobs on the open market.

- There will be a need for prior work with key local partners – in terms of financial modelling, the development of assessment models, referral protocols and progress management approaches. The key to this will be a clear commitment to effective partnership working for the benefit of clients – and working through the practical implications of this in terms of the financial model. The implication of this is that those areas which have an integrated model on the ground – or working towards one – will be in a position to make explicit ‘asks’ of potential contractors, so ensuring that they will bring added value with their contract.
- The financial model will need to ensure that contributing services gain a share of the increased income that flows from enhanced performance. Without this there is a real risk that vital local partners will see any expression by contractors of commitment to partnership working as window dressing – in other words, it will need to be expressed in the sharing of financial returns. This in turn will have implications for the commercial viability of the model.
- The delivery model will need to be built around the basic components of assessment, route design, management of progress, pre-placement preparation, placement and support in work.
- There are significant implications for the required quality of front line staff. The demands on staff will be of a different order from the requirements of Work Programme. They will need to be skilled and confident in partnership working approaches and in the effective management of client progress through an array of services – some mainstream, some local specialist services and some sub-contracted. This is likely to be reflected in staff wages – again with implications for the financial model and commercial viability.
- Finally, there will be a need to take account of any existing or pending City Deal arrangements – which may have implications for different aspects of the programme depending on what has been agreed.

Financial constraints on the wider partnership

All the partners engaged in the employability agenda will see reductions in their budget for the foreseeable future. This will drive the search for new and more effective ways of providing services and support, aligning budgets and services around the needs of individuals, families and communities, and rationalising the physical infrastructure.

Developing the Young Workforce

The implementation of the Wood Commission report is putting in place a set of actions and processes to help young people make a more successful transition to work and subsequently make progress in work. The industry-led Dundee and Angus Regional Invest in Youth Group has now been created which is leading the implementation of the recommended actions which include a range of actions to break down the distance between school and the world of work, including for example the creation of long term working relationships between schools and employers.

This significant effort – backed by Scottish Government resources – needs to be an integral part of any wider employability approach in Dundee. Some feel that the focus on investing in young people has gone too far at the expense of – for example – the growing problem of older unemployed people. Cambridge Policy Consultants have pointed out that young people form one quarter of the unemployed but attract over half the total spend on employability support.

The Dundee approach needs to recognise and support the significance of this focused effort on young people and ensure that some of its most important features (for example, the quality of labour market intelligence) clearly complement this work.

Summary

The main practical implications for Dundee of the policy context and trends are:

- The need to develop practical ways of managing the performance of the whole employability service in Dundee – and ensuring that this can include a Work Programme/Work Choice successor programme in a much more integrated way.
- The need to develop a physical infrastructure for the service which allows Dundee to be at the forefront of the growing emphasis on service integration around client needs – and on the alignment of budgets to deliver a progressive pathway for each client.
- In particular there is a strong trend in the alignment of services at a neighbourhood level around the needs of those clients furthest from work – services which include housing, health, social care and parents' engagement with schools.
- The strengthening focus on progression in work and on the value of 'Fair Work' requires a two pronged effort: the creation of a service to help people to make progress in work, and a business development effort which helps key sectors enhance productivity and competitiveness through skills development.

2 The socio-economic context

In this section we summarise the socio-economic context for a new approach to employability in Dundee. Our detailed analysis is set out in Appendix 1. (To ensure a narrative flow to this summary and the Appendix a few of the Figures are repeated).

The main features and trends are:

- Dundee's population is forecast to **grow significantly faster** than Scotland's over the next 25 years. Currently Dundee's demographic profile shows that it has more young people, fewer older people and a higher proportion of working age people when compared with Scotland. Over the next 25 years, the proportion of those of working age is expected to decline but not as fast as the forecast Scottish decline, with a significant gap emerging towards the end of the period.
- Unemployment has for a long time been **significantly higher than in Scotland** as a whole. The gap between Dundee City and Scotland has grown over the last three years, although over the past year there has been a considerable fall in the unemployment rate in Dundee. The annual population survey Jan2014-Dec2014 shows an unemployment rate of 7% in Dundee, compared with 5% in Scotland. Economic inactivity is also higher in Dundee, with 31% of the working age population being economically inactive, compared to 23% in Scotland.
- In both Dundee and across Scotland, the **largest group of benefit claimants is the ESA and Incapacity Benefits group**, which comprises almost 10% of the working age population in Dundee. Figure 1 overleaf shows that this group is much larger than the JSA group and provides a greater challenge in terms of the array of support needed and, often, the length of time over which support is needed to take people into secure work.



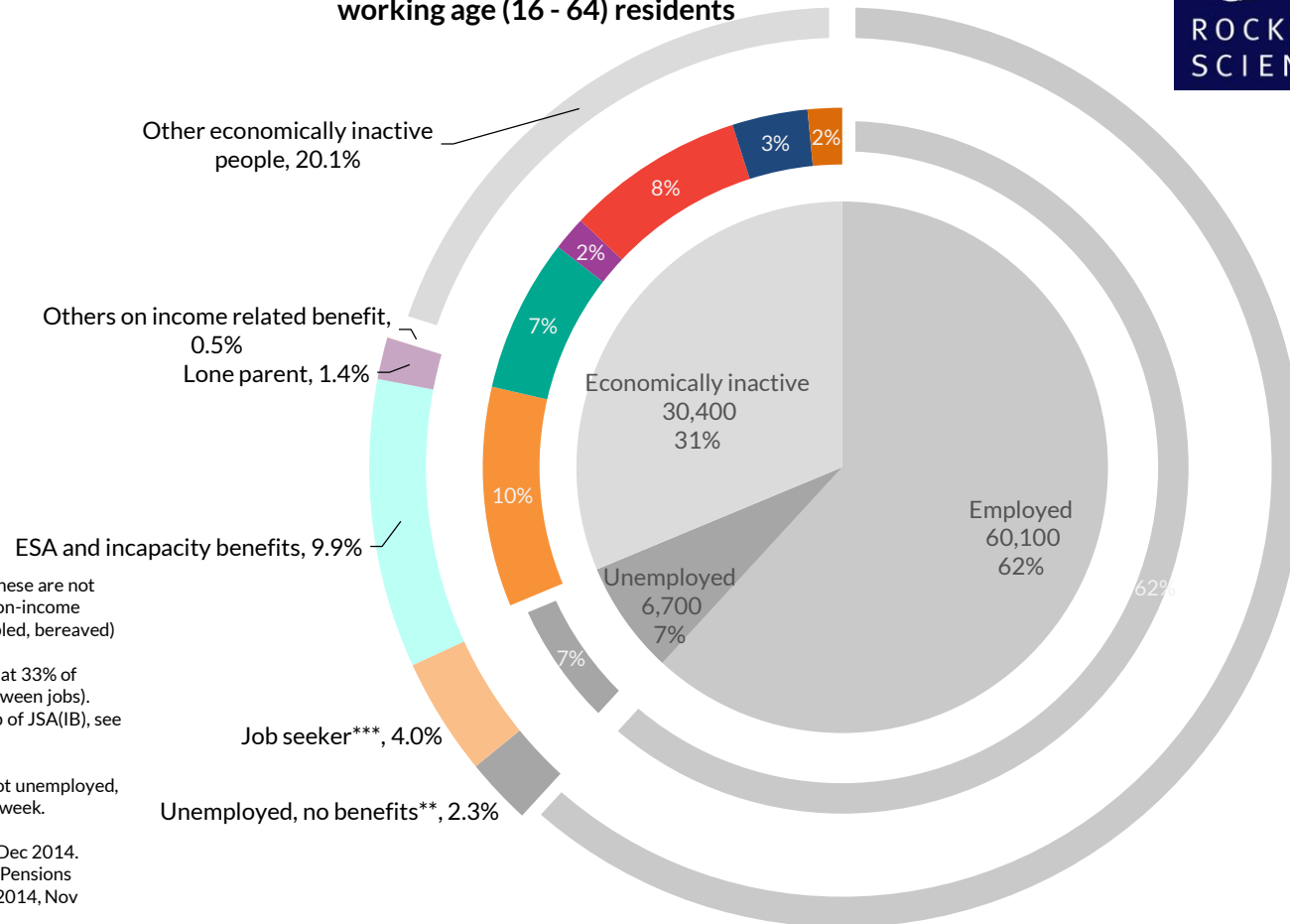
Dundee City

Economic activity and out of work benefits among working age (16 - 64) residents

Reasons for Economic Inactivity:

- Student
- Looking after family / home
- Temporary sick
- Long term sick
- Retired
- Other *

DWP Working Age Client Statistical Typologies



*Other economically inactive people: most of these are not claiming benefits but includes some claiming non-income related benefits or other benefits (carers, disabled, bereaved)

** This figure is based on a UK wide estimate that 33% of unemployed are not claiming benefits (eg if between jobs). Based on 2009/10 national estimate of take-up of JSA(IB), see <https://goo.gl/e6dj2t>

*** This figure includes some people who are not unemployed, but working on average less than 16 hours per week.

Sources: Annual Population Survey, Jan 2014-Dec 2014. Averaged quarterly data from DWP Work and Pensions Longitudinal Study, Feb 2014, May 2014, Aug 2014, Nov 2014.

More information about statistical groups is found here:

Figure 1: Profile of unemployed and inactive people in Dundee. [Source: National data sources as set out: presentation by Rocket Science]

- The JSA group is quite dynamic. With roughly 3,500 registered as unemployed in September 2015, there are approximately 600 people who started a new period of claiming JSA (either claiming for the first time or a repeat claimant), comprising nearly one-fifth of the total claimant count in that month, compared with 765 flowing off the register.
- The over 50s age band does not show such a marked decrease in the number of claimants over the last two years and it is the scale of long term unemployed people (particularly men) which displays the largest gap between Dundee and Scotland (see Figure 2 below).
- Qualification levels in the older working-age population in Dundee are lower than those in Scotland overall. Combined with the high levels of long term unemployment in the older population in Dundee, this could be an indication that older people who find themselves out of work are struggling to get work due to a lack of the appropriate skills.

Sex	Claim duration	Age			
		Aged 16-64	Aged 16-24	Aged 25-49	Aged 50-64
Total	Total	1.46	1.10	1.58	1.53
Total	Up to 6 months	1.27	0.96	1.31	1.11
Total	Over 6 months and up to a year	1.67	1.25	1.25	2.00
Total	Over 1 year	2.00	1.67	2.14	2.00
Male	Total	1.53	1.12	1.58	1.74
Male	Up to 6 months	1.29	0.97	1.35	1.33
Male	Over 6 months and up to a year	1.20	1.33	1.40	1.67
Male	Over 1 year	2.25	1.60	2.20	2.38
Female	Total	1.27	1.11	1.38	1.20
Female	Up to 6 months	1.22	1.00	1.10	0.83
Female	Over 6 months and up to a year	1.50	1.00	1.50	2.00
Female	Over 1 year	1.67	1.50	1.75	1.33

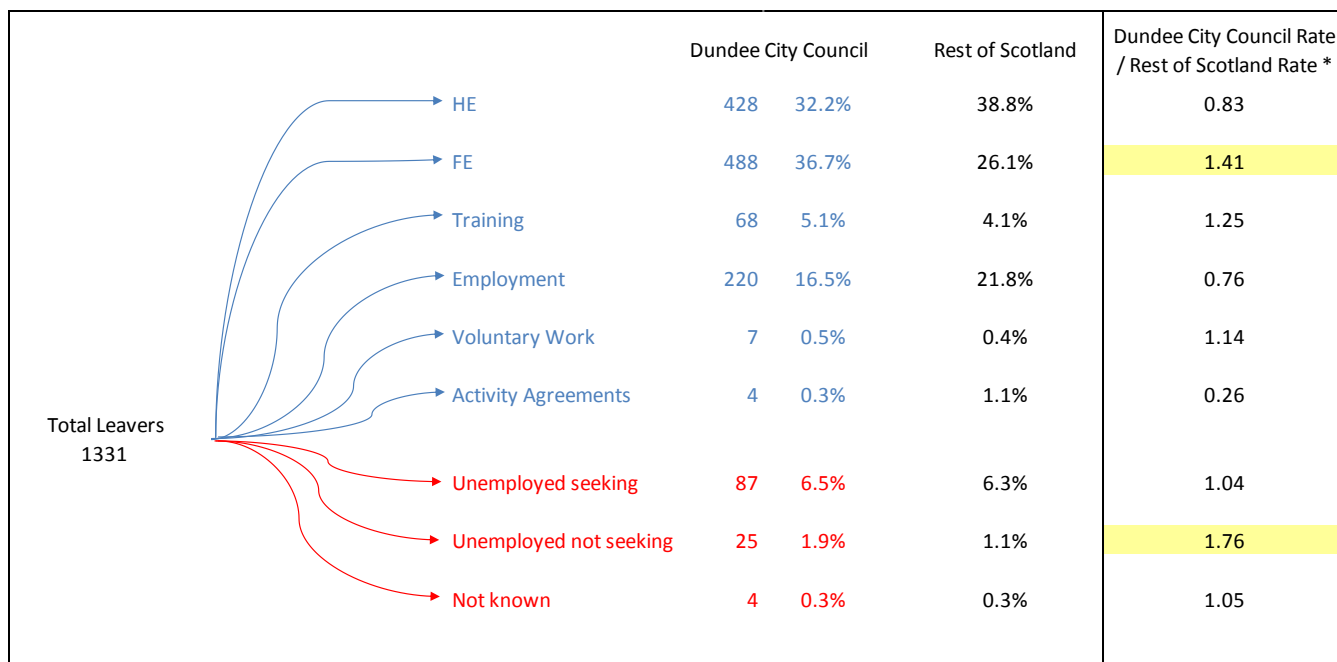
Figure 2: Comparison of the rate of population claiming in Dundee and Scotland, March 2015. Each number represents (Rate of claimants in Dundee / Rate of claimants in Scotland). Density of colour represents scale of difference. [Source: NOMIS Claimant Count – Age Duration with Proportions]

- School leavers' destinations in the Dundee City Council area in 2013/14 are presented in Figure 3 overleaf. In 2013/14 there were 1331 leavers. 36.7% of these went to Further Education, compared to the figure of 26.1% across the rest of Scotland. This is a reflection of the lack of jobs for young people and means that school leavers in Dundee City Council area were 1.4 times more likely to go into Further Education than other areas in Scotland. Only East Ayrshire had a higher proportion of school leavers going to Further Education. On the whole the areas where jobs are hardest to find have the highest proportion of pupils going on to FE.

- Dundee City Council also had the third highest rate of school leavers going into the “Unemployed not seeking” category, with this outcome 1.8 times more likely in Dundee than in the rest of Scotland – but these numbers are small (25 school leavers).

Skills Development Scotland provides a detailed analysis of the profile of school leavers in their Dundee Community Planning Partnership report¹. Key points from that analysis are:

- The proportion of school leavers going into the unemployed seeking group (6.5%), while still 0.2 percentage points higher than Scotland, is the lowest it has ever been in Dundee and down from 15.3% in 2009/10.
- Positive destination rates are strongly related to the level of deprivation in the areas where school leavers’ live.
- Positive destination rates are strongly related to the school that leavers attend, with Grove Academy having a positive destination rate of 95.2% and Baldrigon Academy only 86.0%.



Source: School Leaver Destinations Initial Follow Up Summary Table 2013-14, Skills Development Scotland.

*This represents a "relative risk"-type statistic (eg, see [1]). A number of 2.0 for HE would mean that school leavers in this LA area are twice as likely to go into Higher Education as they are in Scotland overall.

[1] http://www2.law.columbia.edu/fagan/courses/law_socialscience/documents/Spring_2006/Class%207-Sampling/Liberman_probability.pdf

Figure 3: School leaver destinations in Dundee compared to the rest of Scotland [Source: Rocket Science analysis of Skills Development Scotland data].

¹ Skills Development Scotland, Dundee City Council, Community Planning Partnership Report, December 2014

Employment

The longer term pattern of employment change is presented in Figure 4. There are three notable features of Figure 4:

- The sustained decline of the manufacturing sector by c10,000 jobs since 1990.
- This has been more than compensated for (in numbers, though not in the type of work or employee) by the growth in public sector employment (which includes DCC, NHS and the FE and HE sectors) which is now at an historic high, following a minimum in 1999.
- Unemployment is significantly lower than during the 1990s, though much higher than in the period before 2008. In the late 1990s many were encouraged to move to incapacity benefit and it is clear from a range of anecdotes that some of these people have remained on IB since. This policy of reducing unemployment figures in this way is in contrast to the current policy in a very different unemployment context where through Work Capability Assessments those on IB are being encouraged to become actively work seeking on JSA.

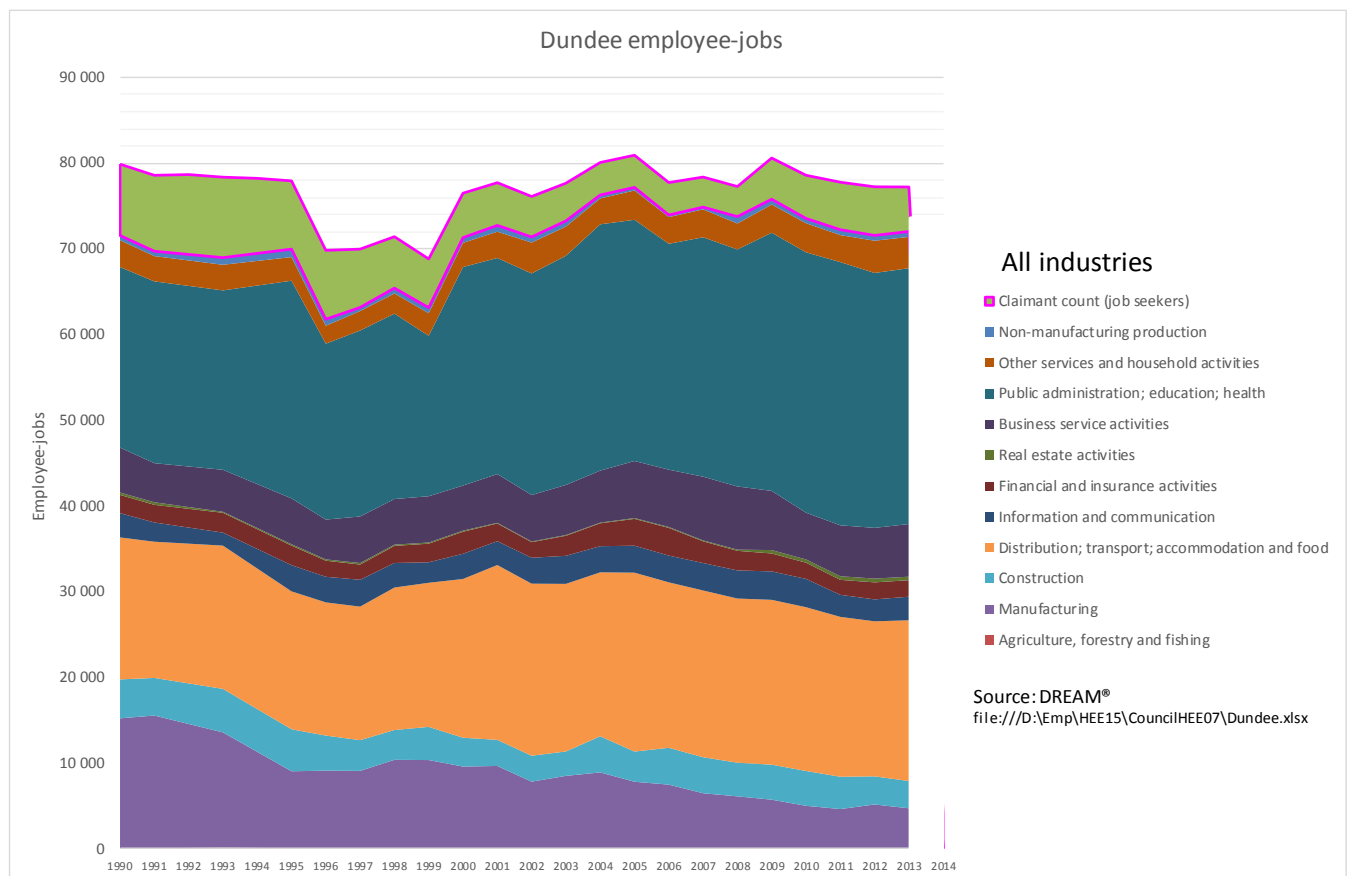


Figure 4: Dundee employment trends 1990 – 2014 by sector [Source: Cogentsi, DREAM model]

- Skills Development Scotland’s 2014 Regional Skills Assessment found that 23% of establishments in Tayside had skills gaps, compared to 19% across Scotland. Tayside employers reported that new recruits including school leavers, college leavers and university graduates were generally well or very well prepared for work, although less well prepared for work than average for employers in Scotland.²
- The largest skills gaps by occupation in Tayside, as identified by the Regional Skills Assessment, are for process and machine operatives (14% of all in employment have a skills gap) and caring, leisure and other service occupations (12% of all in employment have a skills gap). For both these occupational classifications, the skills gap in Tayside is around twice the national skills gap.
- In Scotland there are 3.9 unemployed people for every job vacancy. In Tayside, this jobs gap is slightly higher at 4.5 unemployed people for every job vacancy. Although there is a jobs gap in Tayside and across Scotland, there is an additional challenge for getting people into employment, namely skills shortages preventing job vacancies from being filled.
- In Tayside, there are two employment types with a particularly high level of vacancies – machine operatives and skilled trade’s occupations. For both types of employment, over a quarter of the vacancies are deemed to be unfilled due to a skills shortage. While half of the manager position vacancies are deemed to be due to skills shortages, these vacancies comprise a small proportion (less than 1%) of the optimal employment in this sector. There are notably fewer vacancies for “professionals” and “caring, leisure and other services staff” in Tayside compared to Scotland.

Summary

The situation described in these statistics has some important features:

- Unemployment remains stubbornly high in Dundee compared with Scotland. This applies across the age groups. The gap with Scotland widens with duration of unemployment and is at its widest for long term unemployed men over 50.
- In part this is a reflection of the changing employment structure of Dundee, in particular with a sustained long term decline in manufacturing jobs, and some clear echoes from the period of particularly high unemployment in the late 1990s.
- While the on flows and off flows in the labour market show considerable dynamism, there is evidence of a ‘jobs gaps’ – in other words there is a mismatch between those seeking work and the numbers and types of jobs available. This may have implications for the job search area of young people.

² Regional Skills Assessment for Tayside, Nov 2014, quoting UKCES Employer Skills Survey 2013

- Overall, the unemployed client group is further from work than in many other areas, and this has significant implications for the design and focus of a local employability service, and for the need to integrate or at least align Work Programme 2 after its introduction in April 2017.

The implications of this are:

- There is a need to **maximise the creation of jobs and the filling of vacancies** by ensuring a high quality match between the skills and aptitudes of recruits and the needs of employers.
- The **main issue for Dundee is about those on ESA rather than JSA** (most of whom find work of their own accord) – and for those not in work who are at risk of long term unemployment. There is therefore need to develop more effective integrated support for those on ESA – and to develop a much stronger ‘risk based’ focus for those on JSA –in terms of targeting those at risk of becoming longer term unemployed, and intervening as early as possible.
- There is a need to ensure the greatest return from the significant local investment in employability services by ensuring both that they are **closely aligned with an agreed service design** – and that the **performance of the whole service is actively managed** and improved by the partners.
- Given the number of those who are furthest from work and require intensive support, there is a need for the Partnership to consider how one to one services can be delivered, particularly in the most deprived neighbourhoods. The use of mainstream partner resources already applied in these communities, and/or the potential to work with community members/volunteers to support those individuals who can aspire to work, are approaches that should be tested.

3 Reframing the ‘Dundee Pipeline’

The idea of a strategic skills pipeline for each Local Authority area was introduced in the Scottish Governments first employability framework, ‘Workforce Plus’. This introduced the idea of the pipeline as a framework which would allow local partners to:

- Understand the distribution of the services of all partners (public, private, third sector) across the 5 stages locally
- Use this to identify gaps and duplications
- Use this to review the distribution of spend across Stages 1-5 and move towards desired profile
- Actively manage client progress through the stages.

It was therefore intended to be a framework for service positioning, review and management which included all the components of a local employability service.

In Dundee today, the ‘Dundee Pipeline’ refers primarily to the contracting of the DCC/ESF component. Last year spending on this aspect of employability was £400,000 out of an estimated £18m for the pipeline as a whole. The figure of £18m has been roughly estimated by drawing on the recent analysis of Scottish spend on employability and reducing in terms of the working age population of Dundee. Figure 5 below sets out the sources of investment in employability services across Scotland

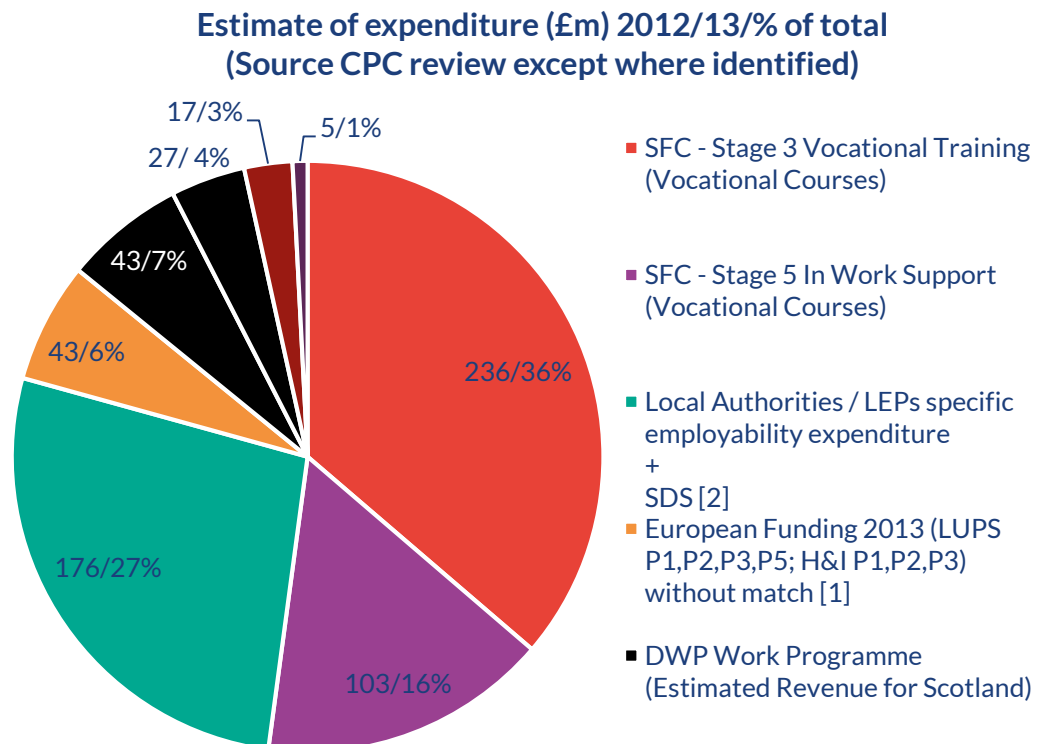


Figure 5: Total annual spend on employability support in Scotland by source [Source: CPC 2014, presentation by Rocket Science]

What Figure 5 makes clear is that there are significant resources for employability – but they are spread across a wide range of roles and functions. In order to create a way of understanding and actively managing the performance of these resources the partners have recognised the need to reframe the Dundee pipeline as a comprehensive pipeline which includes all services for those seeking work.

The comparison between the current situation and the desired future situation in terms of the Dundee pipeline is set out in Figure 6 below.

The Strategic Skills Pipeline

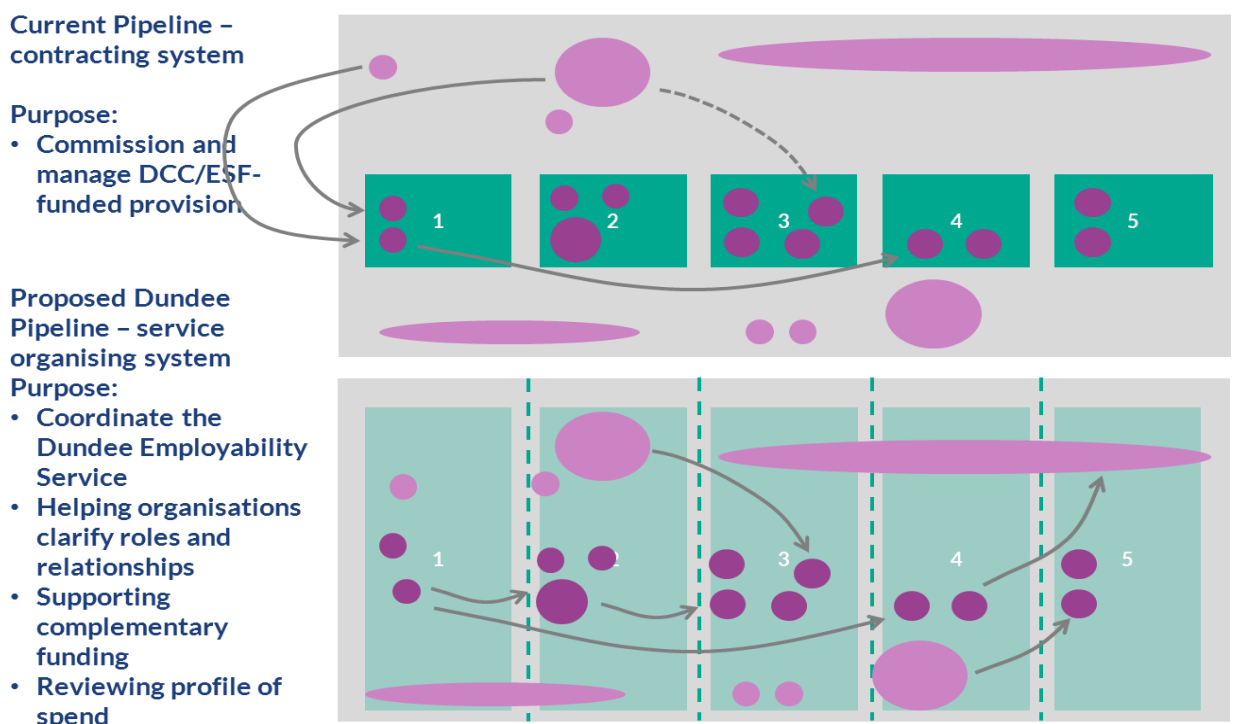


Figure 6: A comparison between the current ‘pipeline’ (top diagram) with the DCC/ESF funded strand in dark green, and the proposed pipeline including all services for those seeking work [Source: Rocket Science].

The 'Dundee pipeline' therefore becomes a way of organising all services into a coherent model, and can be much more than a way of contracting one funding stream:

- It will help providers to position themselves and understand flow of client into and out of their service and the relationships they need to have with complementary services
- It will provide partners with a way of analysing spend and its distribution and acting on this
- It will provide a framework for active management of the whole service.

4 What works?

We have drawn on the recent work of Cambridge Policy Consultants and our own evaluation work to produce Figure 7 below which summarise the elements of good practice at each stage of the Strategic Skills Pipeline:

Stage One	Stage Two	Stage Three	Stage Four	Stage Five
How, not just what, is important	Statistical profiling?	Early use of job search	Reduce use of fiscal incentives for employers	Engagement with employers
Services need to be interesting, not just useful	Payment by outcomes or costs?	Adequate resourcing for job search	Ensure high quality match with each job	Tailored and ongoing work support
Identify early using available information		Longer term training has enduring impacts in the longer term		Particularly effective for those with disabilities and mental health issues
Tailored and responsive		Strong on the job component in training		
Well informed organisations		Market focused training		
Quality of assessment – owned by client		Avoid lock-in		
		Tailored support		

Figure 7: Elements of good practice by pipeline stage [Source: CPC and Rocket Science]

We have drawn on these good practice elements to develop our whole service approach which is described in the next section. A valuable recent literature review has been produced by the Learning and Work Institute which has been designed to provide insights to inform the Scottish Government’s design and procurement of the devolved successor programme (to Work Programme and Work Choice)³

³ http://www.learningandwork.org.uk/sites/niace_en/files/resources/Scotlands%20future%20employment%20services%20final%20report.pdf

5 The preventative approach

Rocket Science were also commissioned by the Dundee Employability Partnership to explore how the Partnership could develop a stronger focus on prevention in tackling employability in Dundee and make specific recommendations. This chapter summarises the findings and recommendations of this work, as it is relevant to this report's recommendations.

Prevention has been firmly on the Scottish Government agenda since the publication of the Christie Report, and was most recently reflected in the 'Working for Growth' Scottish Employability Framework which stressed the importance of offering preventative support to those who would be furthest from the labour market.

When it is done effectively prevention can reduce the costs of later support, reduce the demand on a range of services which are under pressure, reduce spending on benefits and – perhaps most important – reduce the significant impacts of long term unemployment on individuals, their families and their communities. These impacts include health issues, loss of confidence, the perishing of skills and demoralisation, as well as the knock on effects of reduced household incomes.

However, moving towards a stronger focus on prevention is not without its challenges, and most regions around Scotland are still in the early stages of trying to explore what it means for them in practice. Insufficient budget flexibility, the mismatch between who funds action and who gains from the benefits from preventative action, risk and uncertainty about future impacts of upfront investment and the timescales for a return on this investment, and the opportunity costs associated with re-prioritising resources towards preventative action are all pressures faced by areas looking at ways to implement prevention.

The Dundee Partnership has developed a Prevention Framework which explores prevention in terms of universal services delivered prior to the development of risk and problems, targeted prevention for high risk individuals before problems emerge, and early intervention which looks to prevent emerging problems from worsening. We found that many services currently provided in Dundee contribute to preventing employability issues, although they are not always identified by service providers or users as preventative action. This indicates that a more explicit understanding of prevention would reveal a reasonable level of current activity that could be built on.

The routes to long term unemployment

This work focused on those at risk of long term unemployment. We have identified four main routes to long term unemployment in Dundee.

Young people

Many students do not transition well into further/higher education and employment following high school. 116 students per annum become NEET in Dundee upon leaving high school (a rate of 8.7% compared to the Scottish average of 7.7%).

There is also a largely unknown number of students whose first positive destination does not lead to sustainable and positive employment outcomes.

As at March 2015, there were 825 16-24 year olds on JSA. We suspect that this underestimates the number of NEET as it does not include the number of NEET that are not claiming JSA.

The discounted present life-time fiscal cost of a NEET is estimated at between £56,301 and £155,891.⁴ This calculation adds together the total benefit paid over the individual's life and the total tax and National Insurance that would have been paid had the individual been employed and then discounts it at a rate of 3.5% in order to work out its total lifetime value as at 2009.

The discounted present life-time economic cost of a NEET is estimated at between £104,312 and £368,615. This uses the same discount rate and takes into account the loss in economic growth, welfare loss to the individual and their family, and resource use and opportunity cost to society of issues such as substance abuse and crime associated with high unemployment.

Clients moving onto ESA WRAG

Many clients moving onto the Employment and Support Allowance (ESA) Work Related Activity Group (WRAG) have come from employment rather than long term unemployment or economic inactivity, yet almost all will remain out of work for over one year. 29% of new ESA clients come directly from work, and another 22% come from a period of sick leave from their employment. 92% of ESA claimants have a 'limiting health problem, disability, or long term illness' with 64% of clients coming from employment attributing their illness to their job.

10% of the working age population of Dundee are claiming ESA, compared with the 8% Scottish average.

⁴ Coles et al. (2010), "Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training". Accessible at: http://www.york.ac.uk/media/spsw/documents/research-and-publications/NEET_Final_Report_July_2010_York.pdf

71% of ESA clients have been claiming for more than 1 year. The current median duration of claim is between 1 and 2 years, however this understates the real duration out of employment due to the transfer of clients from Incapacity Benefit to ESA from 2009.

The annual cost of an individual on ESA is:

Programme	Fiscal Value	Economic Value
ESA	£9,091	£13,236

- The fiscal cost includes the annual cost to DWP of benefit payments and the associated administration cost, and the increased service demand on the NHS for an individual out of work
- The economic cost includes the lost economic growth that would have occurred had the individual been in employment for a year
- These costs do not include the cost to other bodies such as Dundee City Council or Skills Development Scotland.

Reducing the duration of an ESA claim has the following fiscal and economic benefits per individual:

	monthly cost	reducing unemployment by					
		3 months	6 months	9 months	12 months	18 months	24 months
fiscal cost	£758	£2,273	£4,545	£6,818	£9,091	£13,636	£18,181
economic cost	£1,103	£3,309	£6,618	£9,927	£13,236	£19,854	£26,472

For example, reducing the duration of an ESA claim by 18 months has a fiscal benefit of c£13,600 and economic benefit of c£19,900.

If an improved Work Programme for ESA clients were to accelerate return to employment by an average of 3 months, with an average of 1,416 new ESA WRAG claimants a year, this would result in £19.3 million of fiscal benefits and £28 million of economic benefits from this group.

The largest limitation to this analysis is the assumption that the 1,416 new ESA WRAG claimants are all individual claimants rather than individuals who are moving on and off ESA WRAG due to regular reassessments from or to JSA or WRAG Support Group. We are unable to determine this based on the data available.

Clients moving onto JSA

Dundee has a higher rate of unemployment than the Scottish average – this is particularly noticeable in terms of the proportion of male and older claimants.

Most JSA clients find work within 12 months and between 5 and 10% of all new JSA claimants will become long term unemployed (more than 1 year out of work) in Dundee. In Dundee this equates to between 408 and 804 new JSA claimants each year becoming long term unemployed. As at March 2015, there were 3,465 JSA claimants, of whom 1145 had been claiming for more than 1 year.

The median duration on JSA is less than 13 weeks – in other words half of those on JSA find work or leave the register within 3 months. But for those clients who are on JSA for more than a year, the median duration is between 2-3 years – in other words once they are unemployed for a year, they stay unemployed for a long time.

A number of factors affect the risk of long term unemployment including: the macro economic climate, age, gender, prior work experience, occupation, and skill level.

As with ESA claimants, JSA clients are unevenly distributed across Dundee with some geographical areas in Dundee reaching 13.3% of the working age population claiming JSA. This concentration of JSA claimants in Dundee has worsened in the last 10 years.

During the recession, a similar numbers of people continued to find work, while others became unemployed for longer – this explains a substantial part of the increase in employment.

The annual cost of an individual on JSA is [note: the explanation of these costs is the same as the ESA annual cost estimate]:

Programme	Fiscal Value	Economic Value
JSA	£10,321	£14,790

Reducing the median duration of a JSA claim for someone who has been long term unemployed from the 2.5 years has the following fiscal and economic benefits per individual:

	monthly cost	Reducing unemployment by					
		3 months	6 months	9 months	12 months	18 months	24 months
fiscal cost	£860	£2,580	£5,160	£7,741	£10,321	£15,481	£20,641
economic cost	£1,233	£3,698	£7,395	£11,093	£14,790	£22,185	£29,580

For example reducing from 2.5 years to 1 year has a fiscal benefit of c£15,500 and an economic benefit of c£22,200 per individual.

Between 408 and 804 people per annum currently starting on JSA are at risk of long term unemployment. If interventions reduced unemployment duration by 9 months for this group then the savings per annum arising from reduced claim duration would be between £3.2 and £6.2 million fiscal savings and between £4.5 and between £8.9 million and £3.2 million in economic gain over the course of the individuals' claim periods. Include explanation about applying the DWP tool picks up a larger number of people, not all are accurate.

Clients re-entering unemployment after finding work

The National Audit Office estimates that 40% of all JSA clients that find employment will be claiming JSA again within 6 months. Around 30% of clients that used the ESF/Dundee City Council contracted pipeline services repeated their use of services on a different journey on JSA or ESA since 2008 (we expect that this understates the level of recycling back into unemployment that occurs in Dundee as it does not consider clients that did not use the contracted services). So both local and national evidence suggests that there is an important issue about job sustainability: both in terms of 'getting it (the match between individual and job) right first time', about job quality and about the scope for progression in work and support to make this progression.

Using the National Audit Office estimate, roughly 1,420 JSA claimants in Dundee will return to JSA within 6 months of finding employment.

The number of ESA WRAG clients who return to ESA after finding employment is unknown.

The factors that increase the risk of returning to unemployment include:

- Job related risks (for example short term contracts and inadequate pay or employment conditions)
- The degree to which the job matches the employee's skills
- Client characteristics that might prevent a smooth transition into employment (for example practical issues like money and money management, childcare, or personal attributes and understanding of the norms of employment).

The benefits associated with reducing this 're-cycling' are only able to be calculated for JSA given the data available. The analysis clearly indicates that getting a job is in many cases not the end of the fiscal cost of an individual on JSA.

Assuming a median claim duration of 13 weeks for JSA clients that leave to take up employment, the following table outlines the potential savings available for reducing the number of times an individual returns to unemployment following a period of employment:

Number of repeat claims	additional weeks on JSA	Fiscal savings	Economic gain
1	13	£2,580	£3,698
2	26	£5,161	£7,395
3	39	£7,741	£11,093
4	52	£10,321	£14,790
5	65	£12,901	£18,488
6	78	£15,482	£22,185

Using the NAO estimate that 40% of all JSA clients that move into work will re-enter unemployment within 6 months, around 120 will be expected to return to unemployment within 6 months.

Each month, those 120 moving into employment have, as a group, an expected cost of:

	number of off flow clients expected to return to JSA	Fiscal cost of an additional JSA claim	Economic cost of an additional JSA claim
per month	120	£303,580	£435,131

Per annum the group moving into employment have, as a group, an expected cost of:

	number of off flow clients expected to return to JSA	Fiscal cost of an additional JSA claim	Economic cost of an additional JSA claim
per year	1420	£3,642,960	£5,221,576

Summary

Effective preventive action will focus on those that are at the greatest risk of long term unemployment:

- Many students do not transition well into education and employment following high school. 116 students per annum leave school and become NEET, and an unknown number of students do not make optimal decisions that lead to sustained and ongoing positive employment outcomes.
- Around half of ESA clients come from employment rather than long term unemployment or economic inactivity, yet almost all will remain out of work for over one year
- Between 5 and 10% of all new JSA claimants will become long term unemployed with a median duration of claim for those over one year being 2-3 years

- In 2007, the National Audit Office estimated that 40% of all JSA clients that find employment will be claiming JSA again within 6 months, the number of clients that become unemployed again who move from ESA into employment is unknown.

Negative labour market outcomes following school and risk of long term unemployment appear to be positively correlated to the level of background deprivation of an individual.

Effective preventative services will require both early identification of individuals at risk, and early targeted intervention. Therefore, we recommend the following:

- That the Dundee Partnership present the findings of this research to the Scottish Government in terms of the implications for the local design and delivery of the replacement programme(s) for the devolved Work Programme and Work Choice programme powers and resources, specifically for ESA WRAG clients and their need for a rounded service involving personalisation and the involvement of a range of existing local mainstream and specialist services.
- That the Dundee Partnership enter into discussion with Working Links, Ingeus and Triage as their local subcontractor with a view to designing and piloting more integrated local responses for those on ESA WRAG being referred into Work Programme.
- That DWP carry out a local pilot to identify those JSA clients who are at risk of long term unemployment using the DWP research conclusions (risk assessment model).
- That Dundee City Council develop, as part of the joint City Deal approach and in consultation with neighbouring Local Authorities, the development and funding of two new services with the cost allocated in proportion to estimated savings to DWP and Local Authorities:
 - An Accelerated Job Finding Service (AJF) for all new JSA claimants at risk of long term unemployment (as identified through the tool developed using DWP research)
 - A Career Advancement Service (CAS) for clients at risk of returning to unemployment. All AJF clients and others flagged by service providers as at risk will be eligible for this service
- The Dundee Partnership should explore with Healthy Working Lives the scope to enhance local support provision around health at work for employers and employees and promotion of support.
- The Developing Young Workforce Regional Group should:
 - Develop school/employer engagement approach, KPIs that require SME and public sector to participate, with and appropriate support structures to help small businesses participate
 - Focus on schools in the highest unemployment and lowest local business areas
 - Develop a range of ways to including teachers in small business and public sector engagement approaches

- Consider how best to use the agreed labour market analysis to be produced by the LEP.
- That members of the Dundee Partnership actively engage with schools as employers as part of the Developing Scotland's Young Workforce agenda given they represent 32.5% of Dundee employment.
- That Dundee City Council engage with the Scottish Government to identify ways of restoring ERI support routes to work for those young people at risk of NEET, or including this group in the eligibility criteria for the replacement programme(s) following the end of Work Programme and Work Choice.
- That Dundee City Council do further work to detail the specific scale and cost of interventions with the four identified priority groups and the estimated savings to DWP (in terms of reduced benefit payments) and savings to other partners. These should be used as the basis of a City Deal proposal.

6 Developing a ‘whole service’ approach

Working with the staff of local partners we have developed the design of a ‘Dundee Employability Service’ (Figure 8 overleaf). This has 8 main features:

- It starts and ends with an *understanding of the demand for labour*. The service is built on the importance of the partners working with employers to ensure that every aspect of the service is infused with high quality insights and intelligence about the current and emerging job market: what employers are looking for and how they are recruiting.
- A *high quality employability service can of itself enhance demand*. If employers are confident that they can get high quality recruits they will recruit more people. Specifically there is now considerable practical evidence that helping micro-businesses with HR support leads to more recruitment by this important sector of the job market.
- We emphasise the need to *have as much as possible ‘close to work’ training co-designed with employers using the ‘academy’ model* – with more generic vocational training leading to an independent ‘graduate’ or finishing school which will help clients gain the final skills and approaches they will need to thrive in work.
- The service does not end when clients find work. There is a *strong focus on progression in work* – to more secure and better paid work. We are proposing that this includes both a ‘career enhancement service’ and a business development effort in key employment sectors to promote progression through enhancing business productivity and competitiveness.
- Stage 1 (outreach and engagement) and Stage 2 (support and progress management) involve a *wide range of community based services*. These take an asset based approach (that is, working with clients to identify and build on existing strengths to promote motivation and a sense of empowerment).
- The quality, responsiveness and impact of the service will be captured in a range of ways – but one of the most important will be *regular feedback from both employers and clients*. It is important to note that this feedback will be about their experience of the service as a whole - not of one particular provider. This will be a strong driver of more coherent and collaborative behaviours.

- There is an emphasis on the ***skills of front line staff***. All the evaluations of major employability programmes highlight the significance of personal advisers and stress the importance of having experienced and effective staff in these roles. The partners will therefore develop a focus on the appointment and development of high quality front line staff and their effective support.
- Finally, all the partners will take a ***co-commissioning approach to the design and delivery of their services*** – and where services are contracted they will make sure that they complement existing services.

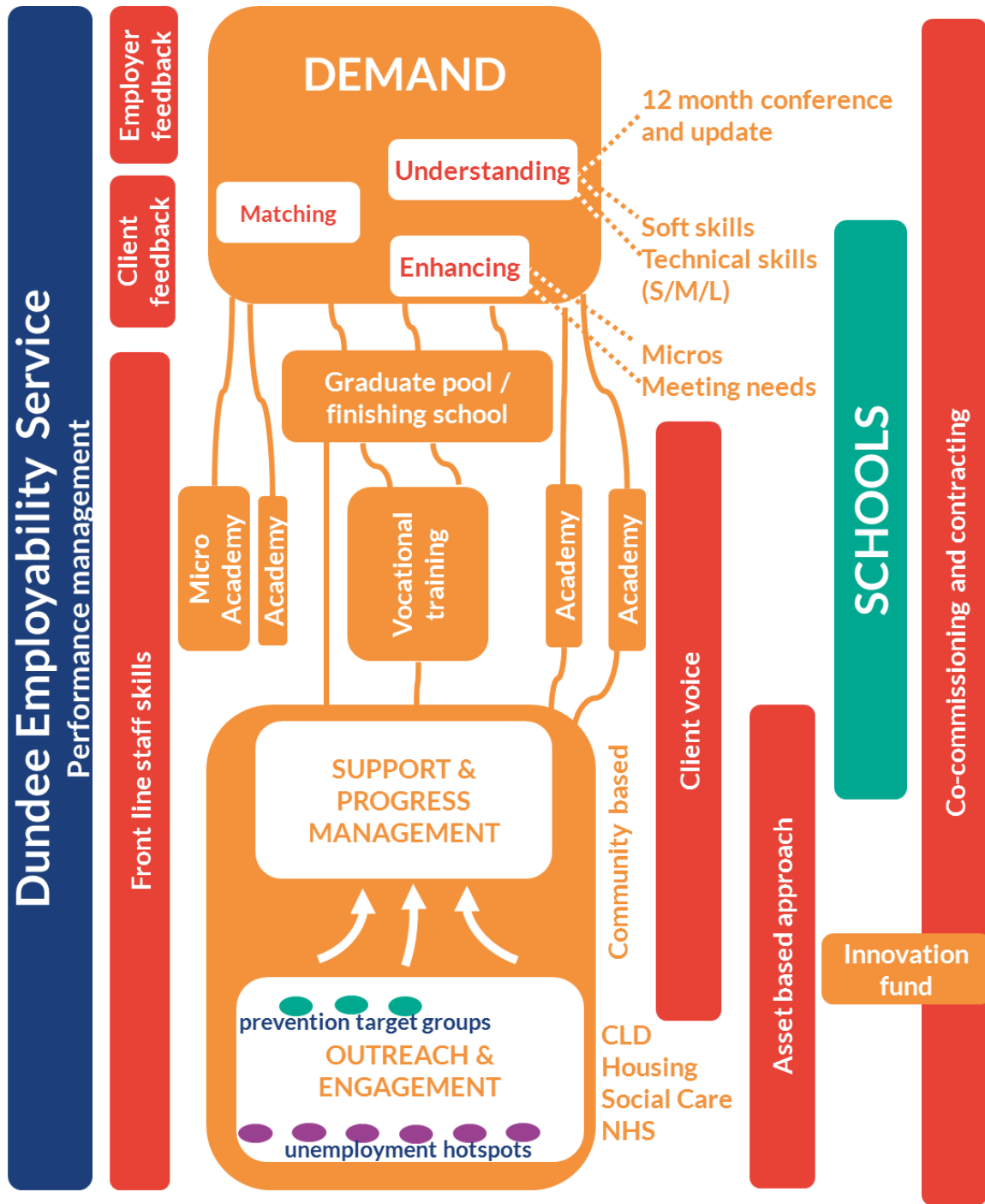
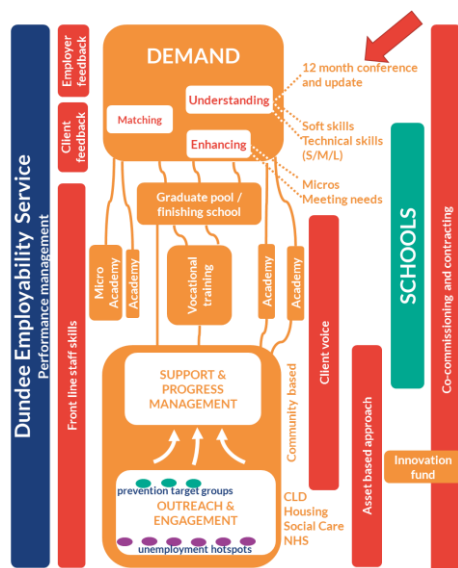


Figure 8: The proposed design of the 'Dundee Employability Service'

In the following pages we describe the areas for action. Each of the sections is prefaced by a version of Figure 8 with the area for intervention signalled by a red arrow.

Action 1: Transforming the quality and value of labour market intelligence



Action in this area will involve:

- Creating a shared source of practically useful intelligence and insight about short, medium and longer term requirements
- Ensuring the development of a shared interpretation of the information and the practical implications of this.
- Infusing the whole employability service (providers, College) and schools with this useable information which is robust enough to base decisions upon

The information will be drawn from:

- SDS Regional Skills Assessment and Skills Investment Plan
- Industrial Advisory Boards for sectors at Dundee and Angus College
- College destination returns
- DCC Labour Market Bulletin
- UKCES reports
- JCP vacancies
- SDI inward investment project requirements
- Planning/Building Control/Trading Standards/Licensing
- SE Account Managers
- Business Gateway advisers
- FSB/Dundee and Angus Chamber of Commerce

- Employer engagement staff (JCP, SDS, College, training providers).

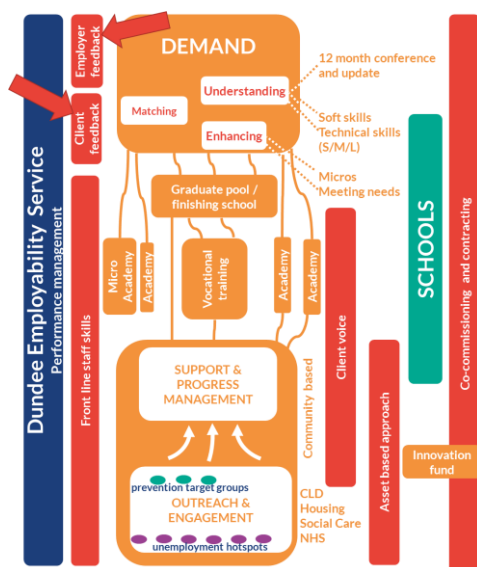
To bring together these hard and soft sources it is proposed that the partners will hold an annual workshop of LMI specialists and all those engaging with businesses. At this workshop participants will:

- Identifying current and emerging needs
- Explore the practical implications
- Agree on the reliability and robustness of the insights
- Identify areas for more detailed exploration
- Develop agreed summaries of useable information for:
 - Training providers
 - Guidance teachers, SDS IAG staff, pupils, parents
 - Personal advisers.

The practical benefits of this will be:

- Improved decision making by pupils
- Improved match between advice/training and the market
- Improved match between recruits and employer needs
- Employers more confident of finding the right staff – more jobs?
- Greater likelihood of sustainability in work.

Action 2: Ensuring the quality of the whole service



To ensure that partners have regular insights into the quality and performance of the service as whole they will commission regular surveys of both employers and individual clients.

The regular (6 months) independent surveys of employers will cover:

- The quality and responsiveness of service
- The quality and match of recruits
- The scope for improvement.

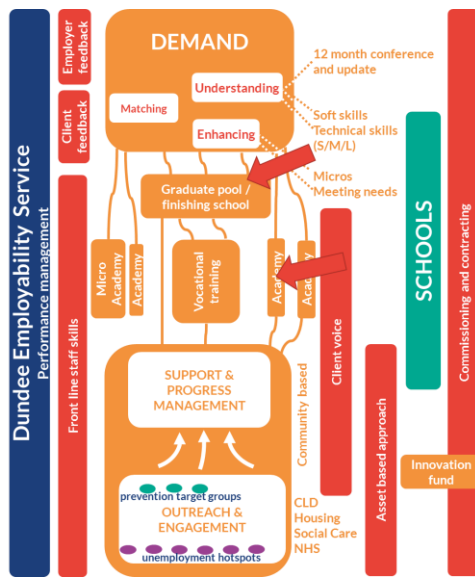
The regular (6 months) independent surveys of individual clients will include:

- The quality and responsiveness of service – did it understand and respond to your specific situation and needs?
- Did you agree a clear pathway for progress? Have you felt in charge of your progress?
- Have you had the support you need along the way?
- Have you gained a job which matches your skills and aspirations?

There will be a standing item every 6 months on the agenda of the Employability Group which will cover the following questions:

- What does this tell us about our progress in creating a clear, coherent and progressive service focusing on situation of the client and needs of employers?
- What is heading in the right direction and what do we need to take action on?
- What shall we do, who will do it and how will we check whether it is making the improvement we need?
- Are there any areas which require more detailed research? How shall we do this?

Action 3: Realising the growth and employment potential of micro-businesses



Following the publication of the FSB Report on realising the employment potential of micro-business in Scotland⁵ there are now a number of initiatives across Scotland which provide specialist HR support to help micro-business owners deal with all the risks and barriers they perceive as being involved in employing people.

This is important because micro-businesses form an important part of Dundee’s employment mix (see Figure 9 overleaf – most businesses below 50 employees are micro-businesses).

⁵ Micros Untapped: Realising the employment potential of micro-businesses. Rocket Science for FSB Scotland 2012.

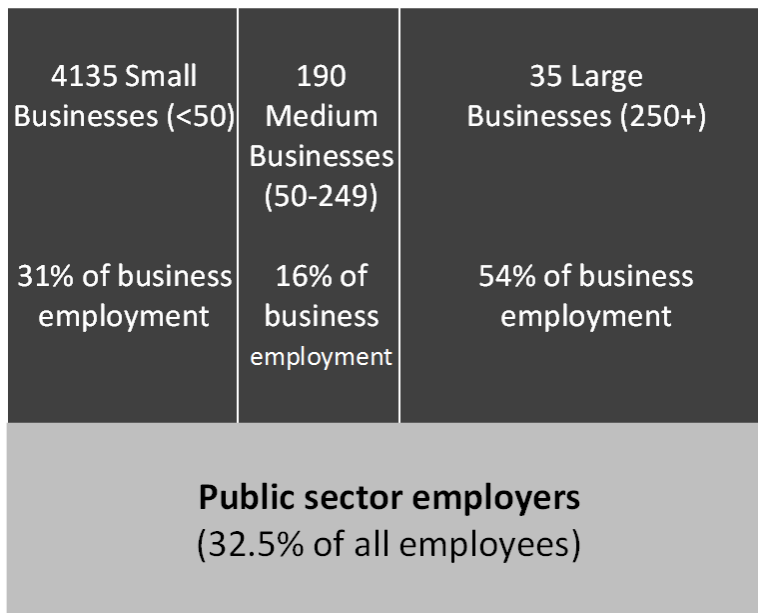


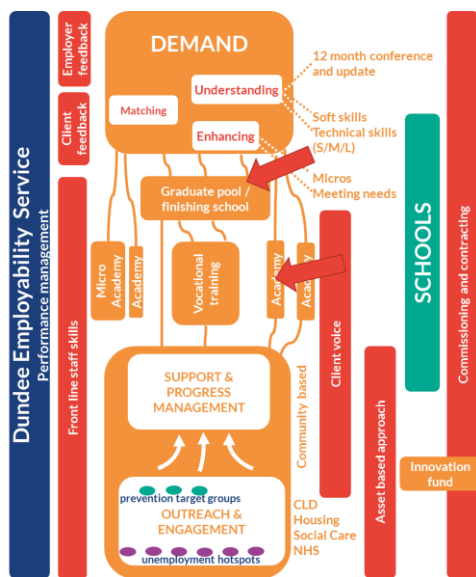
Figure 9: Distribution of employment in Dundee by sector and business size [Source: Rocket Science analysis of Scottish Government statistics].

This area for action is made up of two proposals:

- To increase investment in HR support for micro-businesses to help them realise job creation potential and growth
- To design and pilot a micro-business academy with FSB/members to help clients gain the distinctive skills and behaviours that will help them thrive in a micro-business and contribute effectively:
 - Reliability
 - Team-work
 - Appreciation of demands on business leader
 - Flexibility and responsiveness
 - Range of skills.

The benefits from this action will be more growing micro-businesses and more of these recruiting previously unemployed people.

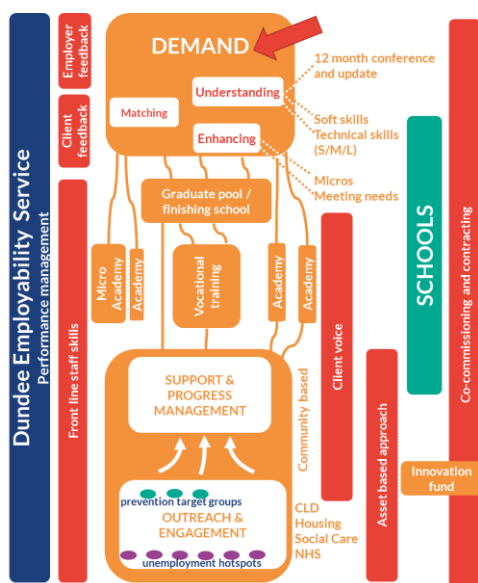
Action 4: Strengthening demand led training



There are two proposed actions in terms of demand led training

- To build on the academy approach and good practice in Dundee by:
 - Actively coordinating academy approaches across Dundee to create a more coherent, high quality approach with regular review and improvement of service design and delivery and a clear consistent offer for employers.
 - Building on existing good practice (eg the Health and Social Care Academy)
 - Developing clear and effective co-design processes with employers.
- The commissioning of an independent ‘finishing school’ which takes all work ready clients and tests for ‘job readiness’
 - Those graduating can be confidently recommended to employers
 - Those not graduating will receive detailed, supportive feedback and personalised development.

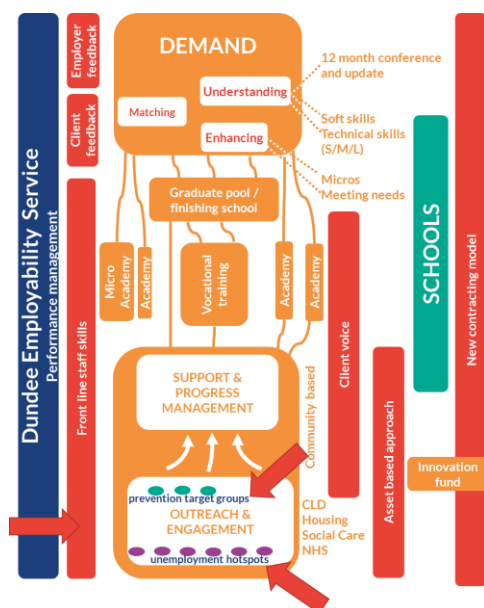
Action 5: Supporting progression in work



The partners will develop a two strand approach to helping people make progress in work to more secure, skilled and better paid jobs. This will involve:

- Working with business development staff to develop approaches to businesses in key employment sectors with a view to helping them enhance their productivity and competitiveness through staff development.
- Creating a career advancement service (potentially as part of a City Deal with DWP) which provides one to one support for people in work who wish to make progress to more secure and better paid work.

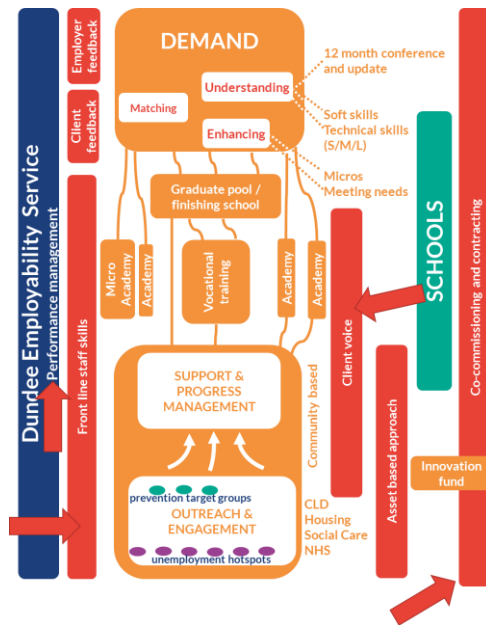
Action 6: Effective targeting of those furthest from work



The partners will develop a clear and agreed targeting of support. It is proposed that this will have three components:

- The coordination of Stage 1/2 services in areas of highest unemployment
- Building on current joint asset-based training to create shared team approach across local services
- Developing client targeting based on risk assessment – using evidence based tools to identify those particularly vulnerable to long term unemployment and following up with intensive support early in their experience of unemployment.
- Exploring opportunities to further enhance the scale and scope of volunteering, involving:
 - The creation of more structured and supported volunteering opportunities as a stepping stone to work
 - The development of volunteers as providers of peer to peer support within their communities.

Action 7: Client co-design of services

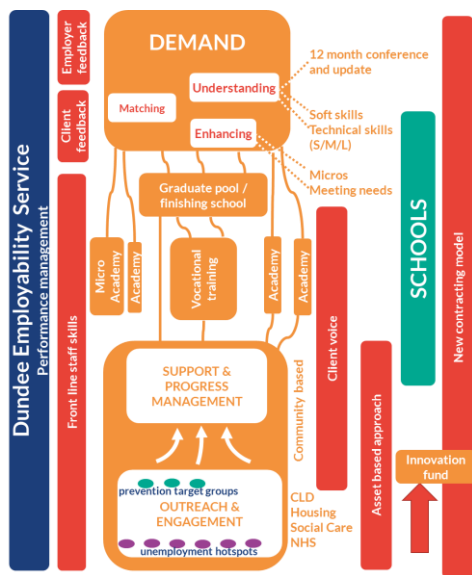


We have identified widespread support for the adoption of client co-design of services and we propose that this take a number of forms:

- Ensuring the client voice is drawn on in service design and delivery
 - This is an important part of the established asset-based approach and will provide clients with the opportunity to engage with service providers in an ‘expert’ role
 - This would apply to the design of the service as a whole, to the design of individual services within this and to the engagement with each client
 - Client voice approaches would be built into joint staff development to ensure that the client perspective was actively drawn on in refining and improving approaches.

Progress in the use of client voice could be checked using the regular client surveys.

Action 8: Innovation fund

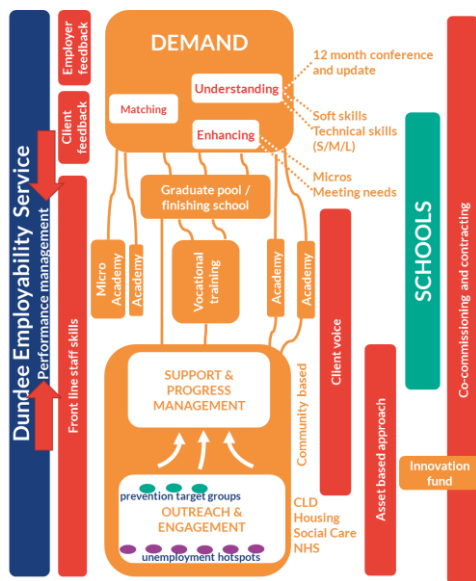


We recommend that the partners consider the role of a small innovation fund to promote the achievement of more sustainable, better (higher paid, more skilled), quicker outcomes. Applications would be invited from any provider and there would be an open brief – that is, applications will be encouraged from any party which has identified something worth trying that may deliver better or faster outcomes. There needs to be some evidence based offered to help partners assess the risk involved. Projects could be:

- Area focused, client focused, or sector focused – or a combination of these
- A technique or approach
- About working practices or service relationships.

Applications will need to involve a small, replicable pilot, which can be carefully monitored to maximise learning.

Action 9: Performance management



One of the most important conclusions from our work is the need for the Employability Group to focus on active performance management. This will be its main role and it will need to involve:

- Transparent reporting by partners:
 - What is working well? What is the scope to learn, apply, transfer, and expand?
 - What is not working well? How can this be improved? Should we stop doing it?
 - What do we need to know more about?
 - What should we take action on?
- The identification of areas of focus: Where should we drill down into issues and practice? This work could be done by selected short life working groups which would be commissioned to investigate and report back on recommended actions to improve performance to the Employability Group.
- Drawing on the regular Feedback analysis (from both employers and individual clients) to identify areas for improvement and appropriate action, timescales and accountability.

-

Action 10: Preventative action

From our analysis of the routes into long term unemployment as part of our parallel assignment on preventative action has allowed us to identify a range of appropriate interventions to enhance the prevention of long term unemployment.

Action 10.1

It would be valuable for the Dundee Partnership present the findings of this research to the Scottish Government in terms of the implications for the local design and delivery of the replacement programme(s) for the devolved Work Programme and Work Choice programme powers and resources, specifically for ESA WRAG clients and their need for a rounded service involving personalisation and the involvement of a range of existing local mainstream and specialist services.

Action 10.2

The Dundee Partnership should enter into discussion with Working Links, Ingeus and Triage as their local subcontractor with a view to designing and piloting more integrated local responses for those on ESA WRAG being referred into Work Programme.

Action 10.3

The DWP should carry out a local pilot to identify those JSA clients who are at risk of long term unemployment using the DWP research conclusions (risk assessment model).

In Dundee, between 5 and 10% of all new entrants onto JSA will be unemployed for more than a year, with their median journey on JSA being 2.5 years in duration. DWP has developed a risk assessment tool for JSA clients that can be used to predict an individual's risk of long term unemployment. It uses logistic regression to develop a scoring system that converts the answers to the risk factors into a probability that an individual will become long term unemployed. Further information on the tool is outlined in the best practice chapter of this report. Many countries use similar tools with proven success.

The DWP model is 33% accurate at predicting the 8% highest risk individuals, and 20% accurate at predicting the 30% highest risk individuals.⁶ Interestingly, the model is far more accurate at predicting those in the lower risk categories. It was 94% accurate at predicting the 8% lowest risk, and 96% accurate at predicting the 30% lowest risk cohort.⁷

Conversations with DWP staff have identified that use of the model is doable within the current 40 minute initial meeting, or regular subsequent meetings with their customers, and would therefore require no additional resources to use. In addition, DWP staff have identified

⁶Matty, S (2013). Predicting the likelihood of long-term unemployment: the development of a UK jobseekers' classification instrument. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210303/WP116.pdf

⁷ Ibid.

that they are interested in anything that would be able to be used to help Work Coaches identify the needs of their customers.

We recommend that Work Coaches begin to use this assessment tool with all their JSA clients in order to identify the 5-10% at risk of long term unemployment and refer these clients to the Accelerated Job Finding Service.

Using the DWP Risk Assessment Model

The table below is drawn from the DWP working paper on the Risk Assessment Tool and outlines the accuracy of predicting high and lower risk of long term unemployment for different groups. For example, if you take the 10% most risky clients in the assessment, then the accuracy of predicting long term unemployment is 31% and 94% for predicting that the remaining 90% of clients are at a lower risk of long term unemployment.

The JSCI score indicates that in the national trial, scores above 24 put clients in the ‘10% most risky’ group.

The DWP Risk Assessment tool predicts long term unemployment with 31% accuracy for the top 10% of clients

top x% of clients	JSCI score	high risk long term unemployed accuracy	lower risk long term unemployed accuracy
10%	24	31%	94%
20%	14	23%	95%
30%	8	20%	9%
40%	5	17%	98%
50%	3	15%	98%
60%	2	13%	98%
70%	2	11%	99%
80%	1	10%	99%
90%	1	9%	100%
100%		8%	-

DWP Risk Assessment Tool accuracy rates at different cut off points [Source: Matty, S (2013). Predicting the likelihood of long-term unemployment: the development of a UK jobseekers' classification instrument]

The table below applies these accuracy rates to the number of new JSA claimants in Dundee. With an annual on flow to JSA of 8,076, we expect that between 408 and 804 individuals will become long term unemployed. Using a JSCI score of 24 or higher would identify the 10% ‘riskiest clients’. In Dundee that equates to identifying 808 as the top 10% riskiest clients, with the remaining 7,272 having a lower risk. Of those 808 clients, 250 will become long term unemployed while 558 will not. Of the 7,272 classified as lower risk, 436 will go on to become long term unemployed. In other words, an additional 558 people are identified as high risk and 436 people turn out to be high risk but are missed.

Referring the 10% most 'risky' clients will result in 808 referrals to the Accelerated Job Finding Service per annum

total JSA on flow per annum		8,080				
total # expected to become LTU		408-804				
top x% of clients	# identified as high risk of LTU	# right	# wrong	# identified as lower risk of LTU	# right	# wrong
10%	808	250	558	7272	6836	436
20%	1616	372	1244	6464	6141	323
30%	2424	485	1939	5656	5430	226
40%	3232	549	2683	4848	4751	97

Outcomes of DWP Risk Assessment Tool accuracy in Dundee [Source: Rocket Science analysis drawing on NOMIS unemployment numbers and the DWP Risk Assessment Tool]

We recommend that all JSCI scores above 24 (or the 'riskiest 10 %') be referred to the Accelerated Job Finding Service given that the additional 558 'wrongly identified' will likely be a higher risk group overall and will have their return to employment accelerated by the service which derives a fiscal and economic benefit regardless of whether their unemployment would tip over the 1 year mark.

There are two elements of the model that we suggest are recalibrated on a regular basis, perhaps annually:

- In the national modelling a JSCI score of over 24 equates to the top 10% riskiest clients. This may not be the case in Dundee. Therefore the JSCI score that is used to refer clients to the Accelerated Job Finding Service needs to be adjusted based on empirical evidence of the number of clients identified and referred in the first year of the service's operation
- The top 10% threshold, as testing the use of this model may indicate that to capture the 5-10% at risk will require looking at the top 20%
- The 5-10% risk of long term unemployment is based on the latest Dundee specific data. However, this figure should be updated regularly and ideally tested against alternative prediction methods that use individual-level client tracking data as it will be influenced by external factors, including the macro economic climate.

Action 10.4

Dundee City Council should develop, as part of the joint City Deal approach and in consultation with neighbouring Local Authorities, the development and funding of two new services with the cost allocated in proportion to estimated savings to DWP and Local Authorities:

An Accelerated Job Finding Service (AJF) for all new JSA claimants at risk of long term unemployment (as identified through the tool developed using DWP research). Between 5 and 10% of individuals that start claiming JSA will go on to become long term unemployed. Almost all new ESA claimants will become unemployed long term. Intensive and heavily

tailored support provided early in their period of unemployment is likely to reduce their time out of work. We recommend that the AJF provide the following to clients at risk of long term unemployment:

- An in depth needs assessment and personalised support plan
- Active one-to-one case management
- The flexibility to provide services in-house, as well as purchase services from other current providers
- Facilitating engagement for the client across other public sector provision, eg health, in order to help the client address their barriers to employment
- Services such as confidence and motivation building, mental health support, literacy and numeracy, and a pre-work finishing school about the norms and rights of employment.

While bespoke pathways will be developed for each client to reflect their individual needs, we have identified several themes of services that are likely to be required, but are not provided in sufficient quantity presently:

- Guidance to ex-offenders on when and how to discuss their criminal record with potential employers
- Confidence and motivation building – particularly for ESA clients
- Literacy and numeracy – we understand that the current provision is regarded as high quality, but insufficient in quantity for the level of demand
- A pre-employment finishing school in order to provide clients with an understanding of their employment and in-work benefit rights and the norms of employment.

We envisage that the criteria for referral into this programme will be:

- All ESA WRAG clients
- All JSA clients identified as high risk of long term unemployment by DWP Work Coaches, using the DWP risk assessment tool.

A [Career Advancement Service \(CAS\)](#) for clients at risk of returning to unemployment. All AJF clients and others flagged by service providers as at risk will be eligible for this service which would include:

- Mentoring of individuals for financial management, employment rights and norms
- In-work progression advice and training
- Practical in-work support to manage the transition to employment, eg childcare advice and support

- For clients that move into short term or seasonal employment, ongoing support to find more sustainable employment when their current employment ends.

We envisage that the criteria for entry would be:

- Anyone that participated in the EAS scheme deemed to benefit from the service by their EAS case manager
- Anyone flagged by other service providers, eg DWP or Skills Development Scotland.

Both these services should be taken forward focusing on those most in need of such support. We estimate the following demand for these services, but the scale of the service will need to be tailored to the resources available:

- Accelerated Job Finding Service – c800 new JSA clients per annum
- Career Advancement Service – c1,400 JSA claimants per annum and a currently unknown number of ESA claimants per annum.

We recommend that these two services be contracted as one contract in order to enable a seamless service that is big enough to achieve economies of scale and service provision flexibility and tailoring for individual needs.

In order to develop and cost the services in the contract, we recommend that the Dundee City Council engage with several of the larger employability service providers in order to inform their contract design and costings.

Action 10.5

The Dundee Partnership should explore with Healthy Working Lives the scope to:

- Enhance local support provision around health at work for employers and employees
- Enhance local promotion of existing support.

About half of ESA new entrants are coming from a period of employment, almost all of whom will remain out of work for more than one year. Most attribute illness or disability as the reason for leaving work.

It is clear that health at work is an issue. Supporting individuals to manage health conditions in employment, and ensuring that there are healthy working environments, is likely to reduce the number of individuals in Dundee moving onto ESA.

Action 10.6

The Developing Young Workforce Regional Group should:

- Develop a school/employer engagement approach that includes public sector and SMEs given that 32.5% of employment in Dundee is in the public sector, just over 20% are in businesses with less than 50 employees, and another 10% are in businesses with 50-249 employees.
- Develop appropriate KPIs related to this approach
- Provide appropriate support and structures to help small businesses (those employing fewer than 10 people) to engage with schools - and schools engage with small businesses, given the fact that engagement with smaller businesses requires proportionately more time and resources for both schools and smaller businesses than for larger businesses
- Help those schools in the highest unemployment (and lowest local business) areas work collaboratively with other schools to gain access to small business opportunities
- Develop a range of ways of including teachers in small business and public sector engagement approaches
- Consider how best to use the agreed labour market analysis to be produced by the LEP – in terms of:
 - Use by teachers in developing Curriculum for Excellence
 - Use by pupils and teachers/SDS advisers in focusing and refining career choices
 - Use by parents in supporting their child's decision making
 - Use by schools in targeting their business engagement approaches.

Action 10.7

Members of the Dundee Partnership should actively engage with schools as employers as part of the Developing Scotland's Young Workforce agenda given they represent 32.5% of Dundee employment.

Action 10.8

Dundee City Council should engage with the Scottish Government to identify ways of restoring ERI support routes to work for those young people at risk of NEET, or including this group in the eligibility criteria for the replacement programme(s) following the end of Work Programme and Work Choice.

Action 10.9

Dundee City Council should do further work to detail the specific scale and cost of interventions with the four identified priority groups and the estimated savings to DWP (in terms of reduced benefit payments) and savings to other partners. These should be used as the basis of a City Deal proposal.

Many of the recommendations we have made will incur marginal costs to parties in terms of time. The two recommendations that are likely to incur cost are:

- Contracting a specialised Accelerated Job Finding service that supports those JSA claimants identified at risk of long term unemployment.
- Career Advancement Service offered for those deemed eligible.

In order to develop and cost the services in the contract, we recommend that the Dundee City Council and DWP engage with several of the larger employability service providers in order to inform their contract design and costings.

We recommend that the Accelerated Job Finding Service, Career Advancement Service and in work health support services be partly funded by parties apportioned in a way that reflects the likely savings they will make from reducing the duration and incidence of unemployment in Dundee.

This means that DWP should pay the largest share of the cost of the new services given they will accrue savings from both:

- Reduced future benefit payments
- Reduced client work load for Jobcentre Plus as the high risk clients are referred to the Accelerated Job Finding Service.

7 Practical action required

The practical response to this new service design takes three main forms:

- Setting up seven short life workstreams which will draw on local skills and experience and work to a brief produced by Rocket Science to design in detail the practical ways forward in ways that will be fully owned by all the relevant partners.
- Action by the Council to maximise its own employability footprint
- Action by the Council in its strategic leadership role.

In this section we set out the proposed way forward under each of these headings.

The seven workstreams

The activities described above can be grouped into 7 workstreams. We are proposing that short life cross organisational workstreams be established to work to briefs that we will produce. They will be able to call on our support as needed, but the main purpose will be to develop highly practical action plans to take forward the action set out above and are widely owned by the partners.

Working Group 1: Labour market intelligence

Workstream	Relevant action	Lead: partners
1: Labour Market Intelligence	Action 1: Transforming the quality and value of labour market intelligence	SDS: DCC, DWP/JCP, Business Gateway, TSI
	Action 1: School/employer engagement to enhance pupils career decisions and awareness of opportunities	DYW Regional Group

Working Group 1 Brief: The working group will identify the practical ways in which information and insight can be collected, analysed, interpreted and presented in ways which are useful by the full range of users across Dundee including:

- Career Guidance staff in schools
- Other teachers, pupils and their parents/carers
- SDS staff working with young people
- Other DCC staff (youth workers, adult learning staff etc)
- JCP advisers
- Training providers
- Employability project staff.

The group will make detailed recommendations about:

- The target audiences for the information and the best form of the information and intelligence for each of them
- How to build on the Regional Skills Assessment and add to it using local data
- Gather insights from all those working with employers – and ensure all of them are geared up to spot cues about current and emerging recruitment and skill needs and asking appropriate questions. This could take the form of an annual conference. These people will include:
 - Scottish Enterprise Account Managers
 - Business Gateway staff
 - SDS staff working with businesses
 - FSB and Chamber of Commerce
 - JCP advisers
 - Employer engagement staff at Dundee and Angus College, DWP
 - Relevant employability project staff who are engaging with employers.
- How to combine data and insights into easily accessible and useable information for each of the target audiences, how to get this to them and how often it should be updated.

Working Group 2: Demand led approaches

Workstream	Relevant action	Lead: partners
2: Strengthening the demand led approach	Action 3 Realising the employment potential of micro-businesses	Rocket Science
	Action 4: Strengthening the demand led approach	DCC: Business Gateway, FSB, Chamber of Commerce

Working Group 2 Brief: The working group will identify ways of enhancing the quality of the match between client skills, aptitudes and habits and the needs of employers.

They will do this by:

- Identifying the scope to build on current academy approaches (eg expanding the leading practice approach of the Health and Social Care Academy), the skills/sectors where this may be appropriate and how these approaches could be funded
- Identifying the elements of effective academy design and practice and using this to create a clear and succinct design guide for academy approaches
- Creating a way of ensuring that the partners and providers are working together to ensure a coherent and coordinated academy approach that is clear to employers
- Identifying the features of a short ‘finishing school’ model which will ensure that the partners are confident that all clients who are presented to employers by partners are job ready as well as work ready and can be effective contributors from their first day. This experience will include:
 - Work routines and disciplines
 - Work structures – working in teams and with supervisors
 - Dealing with difficult colleagues and supervisors
 - Managing the first weeks in work – contracts, money, child care, travel.
- Identifying costs, funding sources and appropriate contracting procedures.

Working Group 3: Neighbourhood action for those distant from work

Workstream	Relevant action	Lead: partners
3. Integrating services for those furthest from work	Action 6: Effective targeting of those furthest from work Action 7: Client co-design of services	DCC: NHS, DWP/JCP, TSI

Working Group 3 Brief: The working group will identify ways of delivering a neighbourhood integrated service for those furthest from work – but on their journey towards work. This will involve:

- Identifying services/staff who are in touch with those who are furthest from work in a neighbourhood setting
- Identifying the extent to which they currently see themselves as part of an employability service – and:
 - If they do, what they feel they need to help them in this role: in terms of assessing immediate support needs and appropriate referrals
 - If they don't what will help them play this role and consider not just their own service contribution but how their client can be helped start their journey to work
- Identifying the current scale and scope of volunteer engagement with those furthest from work and how this can be integrated into the wider local service
- Identify the scale of current volunteering opportunities available to clients as part of their progress to work and the potential for expanding this
- Considering the scope for more local ownership of the neighbourhood based service involving local people and clients in its design, improvement and management
- Identifying the issues that get in the way of more a service which is more integrated and progressive for clients and how to tackle these.

This task may best be done in one neighbourhood on a pilot basis.

Working Group 4: Joint staff development

Workstream	Relevant action	Lead partners
4: Joint staff development	Action 2: Ensuring the quality of the whole service	NHS: DCC, SDS, DWP/JCP, TSI

Working Group 4 Brief: The working group will:

- Review current training for those working with clients on the employability route
- Identify associated training budgets and other training resources, including the current joint service training on the asset based approach
- Identify the priority and longer term training needs of front line staff working with those on the employability journey and develop a long term training programme that will ensure these front line staff are delivering a service which meets best practice in terms of approach, skills, information and value to the client. This will include specifying:
 - Topic and appropriate format/medium of training – including peer support, training workshops, shadowing, action learning groups, use of on line material etc
 - How this programme will be delivered and funded.

Working Group 5: Co-commissioning and contracting models

Workstream	Relevant action	Lead partners
5: Co-commissioning	Action 4: Strengthening the demand led approach	DCC: SDS, DWP/JCP

Working Group 5 Brief: The working group will identify the ways in which the partners will ensure that all provision is designed and delivered with a clear sense of complementary responsibilities and resources. In other words all the commissioners and providers will:

- Work together to ensure a clear sense of overall requirements and how these are changing over time
- Work together to see how the different parts of this requirement can be met from across the different resources of the individual partners
- Work together to ensure that partner commissioning meets agreed needs and is fully complementary to existing and planned provision by others
- Review delivery and emerging needs together to agree appropriate refinements in delivery or re-direction of resources.

Working Group 6: Supporting progression in work

Workstream	Relevant action	Lead partners
6: Supporting progression in work	Action 5: Supporting progression in work	SDS: DCC, Business Gateway, FSB, Chamber of Commerce, DWP/JCP, TSI

Working Group 6 Brief: The working group will:

- Draw on the work done as part of the parallel assignment on Preventative work in employability to develop the design of a Career Advancement Service for those recruits who have found work but are at risk in work because of the nature of the job/sector or because of their own particular set of issues (eg a managed health condition or simply a long time unemployed). This will draw on existing practice and local understanding of need.
- Identify the current support for those in work and how this can be best deployed in this context
- Identify how the service can be funded and delivered. This should include the scope to include this in the pending City Deal proposal and the commissioning of work as needed to carry out a detailed cost benefit study to allocate costs between DWP and others.

Working Group 7: Performance management and improvement

Workstream	Relevant action	Lead partners
7: Performance measurement, management and improvement	Action 2: Ensuring the quality of the whole service Action 8: Innovation Fund Action 9: Performance Management	DWP/JCP: DCC, SDS, NHS, Dundee and Angus College, TSI

Working Group 7 Brief: The working group will identify how the performance of the ‘Dundee employability service’ can be measured, managed and improved and the structures needed to do this [Final Report will set out a governance structure]. This will involve:

- Identifying the information that each partner can contribute on a regular basis

- Identifying how the partners will work together to:
 - Collate and interpret this information
 - Use it to identify performance issues.
 - Use it to pinpoint areas for more intensive research in order to understand what lies behind low performance in a particular area/service/client group/activity.
- Identifying the way in which partners will be accountable for subsequent action and responses to performance issues
- Designing systems to gain regular insights into both individual experience of the whole service and employer experience of engagement with the service and the quality of recruits gained from the service.

Action by the Council to maximise its own employability footprint

We explored with different service areas across the Council the extent of the Council's current contribution in terms of employability (the Council's 'employability footprint') and on the basis of this have identified the main areas where there seems to be scope for further enhancing this footprint. Other partners may have been through a similar process to ensure they are realising their potential in terms of their 'employability footprint'.

Overall, our view is that the current footprint is commendable and ahead of many other Councils which we have reviewed.

Working with staff we have identified scope for further action in four areas:

- **The Council as an employer.** The Council is involved in providing a range of opportunities for young people, including MAs, work experience and the limited use of staff as mentors and there are a number of examples of good practice. There is a clear recognition that there is scope to do more in all these areas. However, we recommend that this should be taken forward on a much more significant scale as part of an initiative by a wide range of employers across Dundee, with strategic leadership being provided by the Council and with a specific focus on joint work with NHS Tayside. By taking it forward in this way it will provide a much wider range of opportunities, an array of pathways through the different types of experience that can be provided by a wider range of employers, and a more effective way of engaging with schools and the College.
- **The Council as a provider of housing.** The Council holds a significant housing stock and many of the priority clients of an employability service are tenants of the Council. The housing service is thinking hard about ways of providing support to its tenants to help them make progress to and through work and have identified a number of areas for further

development. There is scope to do more, particularly in terms of further developing the role of housing officers and supporting tenants through their transition to work. In the next stage of our assignment we will be working with them to refine these ideas and develop some practical ways forward.

- **The Council as a provider of key services for priority clients.** The Council runs many of the services that support those furthest from work, in other words the services that are relevant at Stages 1 and 2 of the pipeline. We have heard from these services a consistent view that there is scope for greater local integration and the need for this to be supported by facilities which can support integrated service delivery. These services are not all owned by the Council, notably health services and some third sector provision, and there is a need for wider integration to meet the distinctive needs of different individuals, families and neighbourhoods. The main opportunities are to do with:
 - Joint staff training, particularly in terms of further strengthening and deepening the asset based approach
 - Improved systems of shared assessment, referral and progression management
 - The development of joint service centres
 - The development of skilled volunteers to provide the scale of one to one support needed.

Behind this lie a range of issues which need to be explored as part of this agenda: notably around the scope for helping individuals gain the insights and techniques to support their own progress – and how to draw on community based support and insights to help them on their journey.

- **The Council as a funder/commissioner of DCC/ESF supported services.** The Council faces some imminent decisions about the focus of Council/ESF supported services. The proposed service design provides a basis for this in terms of helping the Council identify:
 - Areas where there is a need to complement or supplement current services by others.
 - Areas which other funders are unable to fund because of the constraints around their funding.
 - Areas where current approaches appear to be working and which can be scaled up or rolled out.

The timing is not straightforward because during the current funding round an entirely new approach in terms of the successor programme to Work Programme/Work Choice will be starting (in April 2017). Because of this there is some appeal in continuing the current funding pattern for a year.

However, there does appear to be scope to develop a focus on:

- Those who are emerging from 2 years on Work Programme with no job, and particularly men over 50.
- Those who are identified as at risk of long term unemployment.
- The development of an ‘academy’ based approach targeted at micro-businesses.

It is likely that the proposed ‘Scottish Approach’ being developed by the Scottish Government will have similar features to that presented by DWP – that is, a focus on those more than 2 years unemployed and/or facing health barriers to work. This has two important implications:

- The need for the partners to develop an integrated approach to those furthest from work so Dundee is well positioned to gain maximum benefit from the successor programme.
- The scope to develop a focus on those unemployed for more than 12 months – most of whom subsequently become 2 years unemployed.

The Council as a strategic leader

We have identified four areas where it is important for the Council to play a strategic leadership role:

- The service design that has been developed has important implications in terms of physical infrastructure and staffing. We have set out above both the significance of the trend for greater service integration and alignment and the implications this has for neighbourhood service centres. These will provide the base for much of the support for clients at Stage 1 and 2 of the pipeline. For those at Stage 3 and beyond, it will be important that the service is delivered close to where the main job opportunities are – as part of helping clients develop the skills and routines needed for them to gain and make progress in work. In a compact city like Dundee it makes sense therefore for Stage 1 and 2 services to be placed within neighbourhoods and Stage 3, 4 and 5 services to be provided close to work opportunities, so a city centre location makes sense for the latter range of services. Given the current pressure on a range of relevant providers there does seem to be scope for some ambitious thinking in terms of the co-location of Stage 3, 4 and 5 services in the city centre. Although the Wellgate JCP office is the largest in Scotland there is little or no scope for co-locating other services there. Given the pressures on the JCP estate we believe it would be worth discussing with DWP the scope to develop a new centre together with a range of related services, in particular those of SDS,

relevant Council services and possibly with space for a range of training activities (eg the proposed 'finishing school').

- The development of a city wide approach to providing a range of opportunities and support for those seeking work. While it might be possible for the Council to, say, double the current number of MAs through its own employment, our view is that this would miss a larger opportunity. This would be to develop a much more widely owned approach among a range of city based employers and using this to create a wide range of different pathways which may involve two or more employers. The Council is well placed to provide the leadership to drive this initiative and in our next stage we will be articulating clearly the scope for this and what it could involve.
- The existence of two universities and a strong FE College provides the city with a great opportunity to draw on good practice elsewhere in terms of engagement both with schools and the most deprived communities to create new skills, confidence and aspirations. There may be scope, for example, to work with Glasgow Caledonian University who are working in a unique way with communities in North Glasgow as a supporter and service provider rather than just widening access to the University as a destination.
- Finally, there are some powerful new approaches being developed to data management through the holding of 'personal data stores' by individuals. This turns data management issues on their head – in other words, instead of individual data being held by service providers (eg by an array of employability, health and care services) it is held by the clients themselves and it is they who provide access to it by service providers. This transforms the problems around data sharing between organisations and would support, for example, common assessment and progress management approaches. DWP have created a framework for client focused data piloting and are committed to contributing their own data to this that NHS and a range of other services (including charities) are signed up to pilots in other areas. DWP are now keen to see one or two personal data pilots in Scotland and they are currently talking to Glasgow City Council about this. There is definitely scope to have a pilot in Dundee and this would be entirely consistent with the strong asset based approach that exists at Stage 1 and 2 in Dundee.

The opportunities provided by City Deal

The proposed City Deal being put together by the Council with adjacent Councils provides a vital opportunity to support the new service design by proposing some significant changes by DWP. Our discussions with and involvement in other City Deals and our awareness of the flexibility now being displayed by DWP suggests that there are three ‘asks’ of DWP that should be included in a City Deal proposal:

- The scope for JCP staff to become part of an ‘asset based’ approach. There have been a number of initiatives in the past which have enabled JCP advisers to become part of a wider service team and this has always resulted in an enhancement of their value to clients. Particularly at a time of heavy and often counter-productive use of sanctions it would be worthwhile to propose that JCP staff provide their support in a way which is consistent with the asset based approach, and become part of the joint service training around this approach.
- The development of a career progression service. This is already an explicit part of some other City Deal proposals and it is highly likely that a strong proposal for a dedicated one-to-one service to help those who have found work to make progress to higher skills and higher earnings would be supported.
- A more substantial form of intensive support for those emerging from Work Programme along the lines of the ‘Working Well’ approach being pioneered by Greater Manchester with DWP support.
- The development of a significant early identification effort to identify those newly unemployed or entering the labour market who are most at risk of long term unemployment and for whom early intensive support will be likely to at worst accelerate job finding and at best prevent long term unemployment with its associated personal and benefit costs. We are developing the detail of such an approach in our parallel assignment on the preventative agenda in employability in Dundee.

An aspiration to deliver a world class employability service

Based on our analysis and interviews, our judgement is that, given the good practice that exists and the commitment to transform the quality of the service, it is entirely reasonable for the partners to aspire to deliver a service which is on a par with the world's best. A world class service would be characterised by:

- The availability of up to date, relevant and accurate insights into the current and emerging needs of employers, and all partners drawing on this to create support which provides clients with opportunities to match their skills, aptitudes and aspirations with real opportunities in the labour market.
- The existence of highly skilled and experienced staff working with those furthest from work to provide them with long term support along a bespoke pathway to and through work.
- The use of regular insights from providers and from employers and clients to identify the scope for improvement in service design and delivery and active responses to this to tackle any issues arising. Clients and employers would both provide evidence for their experience as being highly relevant, based on their specific needs and achieving their own objectives.
- The active management of the whole service by all the partners, leading to outcomes showing consistent improvement both in terms of work placements and progression to sustainable 'Fair Work' opportunities.

In the next Chapter we develop this benchmark and assess the extent to which the current service matches up to it – and propose some key indicators that the partnership can use to assess progress towards this world class status.

8 Towards a world class service

In the matrix overleaf we build on our diagnosis to create a matrix setting out the main features of a world class employability service, together with our initial assessment of current status of the 'Dundee employability service' on each of these.

The 7 working groups will develop practical recommendations which will help the partners make rapid progress on a number of these. When the Working Groups report we recommend that the partners set out their intended position on this matrix for the end of 2016.

We also set out a small number suggested key performance indicators. These would complement the partners assessment of progress using the matrix and taken together these will provide the partners with a real feel of how much progress is being made and where the main development priorities should lie.

Towards a world class employability service in Dundee

Service feature	Few or no aspects of feature in place	Some aspects in place	Most aspects in place	All aspects securely in place	Notes
Strong commitment by public partners and employers to creating outstanding employability service with exceptional performance					
Clear leadership of and accountability for the 'employability service'					
Strong demand led approach, engaging with employers in terms of needs, performance and service design					
Supply – of support and training – closely linked with demand					
All partners using shared high quality shared intelligence – regularly refreshed - on current and future employer requirements					
Explicit recognition by partners and staff of priority of employability					
Highly accessible neighbourhood support centres with co-located services covering most client support needs					
High quality shared assessment process with agreed referral protocols					
Strong asset based approach to client assessment and engagement adopted by all those working with clients and all staff skilled in approach					
Personalised pathway to and through work					
Later stages of pathway explicitly related to specific job opportunities and gaining the soft skills needed to thrive in work					
Services designed with clients (individuals and employers)					

Service feature - continued	Few or no aspects of feature in place	Some aspects in place	Most aspects in place	All aspects securely in place	Notes
Managed multi-service approach to meeting individual needs – particularly for those distant from work					
Experienced front line staff with high quality development programme shared across main services					
Staff of all services engaging with those distant from work have strong appreciation of their employability role					
Active management of performance including identification of areas of weakness and actions to deal with these					
Performance management informed by regular systematic feedback from employers and individual clients					
Comprehensive support for those at work – particularly those vulnerable to job loss and lack of career progression					
Emphasis on identifying/supporting those at risk – of becoming unemployed, of becoming long term unemployed, and of losing their job or not progressing in work					
Clear alignment of funding from different partners and sources to support a coherent service					
Clear integration of national employment programme in local delivery and support system					
Effective in work support service helping those vulnerable to job loss to continue in work and make progress – particularly those with disabilities and mental health issues					

Our suggested key performance indicators (KPIs) are based on the main features of the approach:

- A focus on *those furthest from work* – so there is a measure of the extent to which the number of clients in the most vulnerable group (ie ESA WRAG) is reducing.
- Ensuring a strong focus on *understanding and responding to the needs and situation of both individuals and employers*. This would be measured using the satisfaction level from the systematic feedback being collected from both individual clients and employers.
- The development of a *strong demand led focus* – so there is a final KPI which explores the proportion of recruits at Stage 4 of the strategic skills pipeline who have been on a demand led experience (ie ‘finishing school’ or academy).
- Finally, the development of a *strongly preventative approach* – which we suggest is measured by the numbers of those reaching 12 months of unemployment.

So our recommended KPIs are:

- The number of those in the ESA WRAG group – with the objective of achieving a year on year reduction – the scale of the intended reduction to be agreed by the partners on an annual basis.
- A high and increasing satisfaction level from both employers and individuals as follows:
 - Employers: Are you satisfied with the quality of recruits you have gained from the Dundee Employability Service and the extent to which they meet your needs? Initially 60% rising to 90% in year 3, to be agreed by the partners. In practice it will be difficult to set a planned level until the first round of feedback establishes the current feedback.
 - Individual clients: Are you satisfied with the support you received in terms of how it helped you get a job? Initially 60% rising to 80% in year 2, to be agreed by the partners. In practice it will be difficult to set a planned level until the first round of feedback establishes the current feedback.
- The proportion of priority clients at Stage 4 who are on or have experienced directly demand led support – ie an academy experience or a ‘finishing school’. It should be possible to establish the current level and the partners should set themselves demanding year on year targets, with a view to achieving a level of c90%.
- Finally, the proportion of those joining ESA WRAG and JSA who reach 1 year unemployment. Based on the current benchmark the partners should be aiming at a year on year reduction.

9 Conclusions and recommendations

There are seven main features of a new approach to employability in Dundee which will lead to improved outcomes:

- Creating a coherent design for a city wide '*Dundee Employability Service*' which incorporates the services of all organisations and providers and assesses performance on both the outcomes achieved and the experience of both the employer and the individual client. This will provide the partners with a way of pinpointing the interventions needed to improve performance. The premise behind this service design is that all the partners in Dundee need to work closely together to create a coherent and progressive service which understands and responds to the needs of each individual client and to the needs of employers. One of the ways of helping partners assess the coherence and performance of this all-organisation service will be to collect and analyse regular feedback from both employers and individual clients.
- We have placed a *detailed understanding of the labour market* at the heart of this new design. This will draw on both current data and a wide range of existing engagements with employers. There will be a shared interpretation of this information and an understanding of the main areas of demand will infuse every part of the service and so contribute to better decision making by school pupils and those seeking work, an improved match between training and employer needs, and a better match of recruits with vacancies.
- Reframing the current '*Dundee Pipeline*' from being mainly a way of contracting and monitoring a part of employability resources in Dundee (DCC/ESF funding) to being a framework for all employability resources. This will provide the Local Employability Partnership (Employability Group) with a practical way of understanding:
 - The current array of services and resources, how well they complement each other and where the gaps and overlaps are
 - Where each provider and their services fits in and who they need to relate to perform effectively
 - What the current resource distribution is like and how this may need to change
 - Where the strong and weak points are in terms of performance and what needs to change to improve performance.
- Focusing the Employability Group on the **active management of the performance of the whole service**. All the main agencies and providers will report on their performance to this group in an open and transparent way, highlighting areas of good and weaker performance. The partners will work together to identify actions to respond to areas of weaker performance, responsibility for action and how they will assess whether the response has produced the required improvement.

- Ensuring that *the actions of each partner on service design, delivery and commissioning are carried out collaboratively* to ensure that individual services make up a comprehensive and coherent whole.
- Creating a shared *Dundee wide approach to the development of a wide range of work experience and job placements* which provide either destinations or stepping stones to permanent jobs for those seeking work.
- Using a *preventative approach* to service design, targeting and delivery *by identifying and prioritising those at risk of long term unemployment.*

Dundee is not starting from scratch – we have identified a wide range of good practice and some of the actions we recommend are about learning from these and scaling them up or transferring them elsewhere.

Within the proposed service we have identified the following areas for action and we describe these in this report. These actions can be summarised as follows:

- Improving the *understanding of the current and emerging labour market* and infusing all parts of the employability service with this shared source of reliable insight and intelligence. This will combine existing data sources with a wide range of insights drawn from those working with employers across Dundee, mainly through an annual workshop of all relevant staff. This should lead to:
 - Improved decision making by pupils
 - Improved match between advice/training and the market
 - Improved match between recruits and employer needs
 - Employers more confident of finding the right staff – more jobs?
 - Greater likelihood of sustainability in work
- Creating a *'whole service' focus in terms of performance management.* The Employability Group will be supported in its performance management role by regular independent telephone surveys of employers and individual clients to gain feedback on their experience of the service.

For employers this will explore:

- The quality and responsiveness of service
- The quality and match of recruits
- Any scope for improvement.

For individual clients this will explore:

- The quality and responsiveness of service – did it understand and respond to your specific situation and needs?
 - The extent to which a clear pathway for progress was developed and agreed?
 - The extent to which clients felt in charge of their progress?
 - The extent to which they have had the support they needed along the way?
 - Have they gained a job and to what extent does it match their skills and aspirations?
- Recognise the significance of micro businesses (employing less than 10) by:
 - Increasing the investment in HR support for micro-businesses to help them realise job creation potential and growth
 - Piloting a micro-business academy with FSB/members to help clients gain the distinctive skills and behaviours that will help them thrive in a micro-business and contribute effectively:
 - Reliability
 - Team-work
 - Appreciation of demands on business leader
 - Flexibility and responsiveness
 - Range of skills.
 - Working with the FSB to help micro business owners further strengthen their management skills with the aim of enhancing business performance.
 - Exploring ways of helping micro businesses to engage with schools to promote the value of enterprise and the appeal of working in a smaller business – and the skills required to thrive in this employment.
 - ***Strengthening the match between recruits and employer demand*** by
 - Building on academy approach and good practice in Dundee:
 - Coordinating academy approaches
 - Creating a strong ‘Dundee approach’ to academy design, delivery and performance through co-design with employers and the regular review and adoption of learning to ensure a best practice model.
 - Pioneering an independent ‘graduate school’ which takes all work ready clients and tests for ‘job readiness’ to refine the match between recruits and the needs of employers:
 - Those graduating can be confidently recommended to employers
 - Those not graduating will receive detailed, supportive feedback and personalised development.

- ***Supporting progress in work*** by the creation of a career advancement service and by working with businesses in key sectors to improved productivity and skills, so providing opportunities for progression to more secure and higher paying jobs.
- Ensuring a ***strongly targeted approach*** – at those individuals most vulnerable to long term unemployment and those areas which have the highest unemployment – by clear and agreed targeting of support:
 - Improving the coordination of Stage 1/2 services in areas of highest unemployment
 - Building on current joint asset-based training to create a shared team approach across local services
 - Targeting clients based on risk assessment – those particularly vulnerable to long term unemployment or at risk of losing their job.
- Using a ***preventative approach*** to service design and delivery as part of the strongly targeted approach above by:

The Dundee Partnership:

- Exploring with Healthy Working Lives the scope to enhance local support provision and its promotion around health at work for employers and employees
- Entering into discussion with Working Links, Ingeus and Triage as their local subcontractor with a view to designing and piloting more integrated local responses for those on ESA WRAG being referred into Work Programme
- Engaging with schools as employers as part of the Developing Scotland's Young Workforce
- Presenting our prevention research findings to the Scottish Government in terms of the implications for the local design and delivery of the replacement programme(s)

Dundee City Council:

- Developing and fund two new services (Accelerated Job Finding Service and Career Advancement Service) with the cost allocated in proportion to estimated savings to DWP and Local Authorities
- Engaging with Scottish Government to identify ways of restoring ERI support routes to work for those young people at risk of NEET
- Doing further work to detail the specific scale and costs of interventions with the four identified priority groups and the estimated savings to partners as the basis of a city deal

The Developing Young Workforce Regional Group:

- Developing a school/employer engagement approach, KPIs and appropriate support that enables the public sector and SMEs to participate
- Helping those schools in the highest unemployment (and lowest local business) areas work collaboratively with other schools to gain access to small business opportunities

- Developing a range of ways of including teachers in small business and public sector engagement approaches
- Considering how best to use the agreed labour market analysis to be produced by the LEP.

And DWP:

- Carrying out a local pilot to identify those JSA clients who are at risk of long term unemployment using the DWP risk assessment tool.
- Ensuring the *availability and quality of front line support* by:
 - Developing a partnership approach to front line staff training as a long term investment
 - Exploring the scope to build on current volunteering approaches.
- Enhancing service quality and relevance through *designing approaches with clients*. This will ensure that the client voice is significant in the design and delivery of services:
 - It will build on – and form an integral part of – the asset-based approach
 - It will apply to the service as a whole, individual services within it and engagement with each client
 - It will be built into joint staff development.
- Encourage more effective approaches to design and delivery by creating an innovation fund, with an open brief – attracting bids for ‘something worth trying’ that builds on evidence and may *deliver more sustainable, better (higher paid, more skilled), quicker outcomes*.

Appendix 1: Socio economic and employment

Contents

Population demographics	78
Summary	78
A changing population	79
Poverty	80
The supply of labour	81
Summary	81
Age, duration and sex of unemployed people Dundee	85
The dynamic nature of unemployment	89
The ESA WRAG group	89
Geographic Inequality in Unemployment	91
Lone parents	92
Qualifications	94
Young people	98
Working conditions in Dundee	103
Travel to work patterns in Dundee	104
The demand for labour	104
Summary	104
Main areas of employment in Dundee	105
Jobs gaps	108
Skills gaps in Dundee (people in employment)	109
Vacancies and skills shortages (unemployed people)	109

Population demographics

Summary

- The working age population will continue to make up a higher proportion of the total population than in other areas of Scotland. Viewed differently, this either presents a great opportunity for Dundee in terms of a strong workforce base or a significant challenge in terms of providing employability and quality employment to move away from the negative economic outcomes seen at present (Figure 1:).
- Nevertheless, the Dundee population is ageing. Between 2012 and 2037, the number of people aged 75+ is expected to grow by 45%. This has significant implications for the support and care required for older people, including the need for skilled workers in health and social care.
- Poverty is a significant issue in Dundee City, with 29.3% of the population living in one of the 15% most deprived areas of Scotland.

A changing population

The population profile of Dundee is similar to Scotland’s, with a notably higher proportion of people aged 16-29. Dundee’s student population contributes to this.

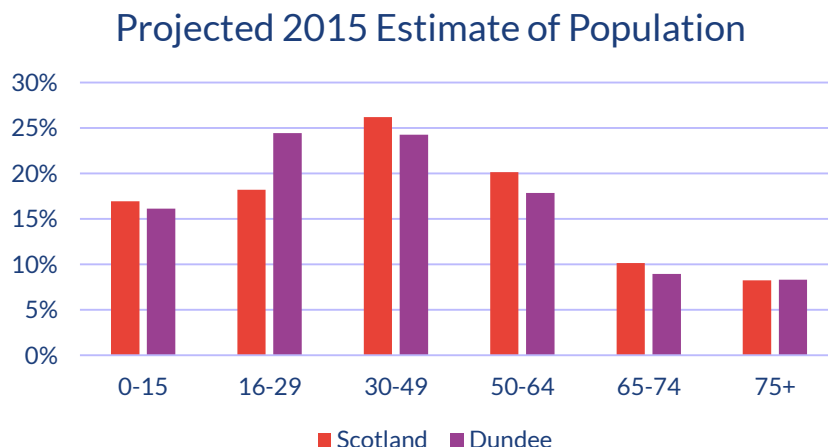


Figure 1: 2015 population profile estimate in Dundee. [Source: National Records of Scotland, 2012-based principal population projections by sex and single year of age]

Dundee’s population is expected to grow at a higher rate than other areas in Scotland - with an increase of approximately 16% between 2012 and 2037 – and the working age population will continue to make up a higher proportion of the total population than in other areas of Scotland. Viewed differently, this either presents a great opportunity for Dundee in terms of a strong workforce base or a significant challenge in terms of providing employability and quality employment to move away from the negative economic outcomes seen at present.

While the working age population will make up a higher proportion of the total population than in other areas of Scotland, the Dundee population is ageing. Between 2012 and 2037, the number of people aged 75+ is expected to grow by 45%. Older people have greater prevalence of multi-morbidities and specific conditions such as dementia, which has significant implications for the support and care required for older people, including the need for skilled workers in health and social care.

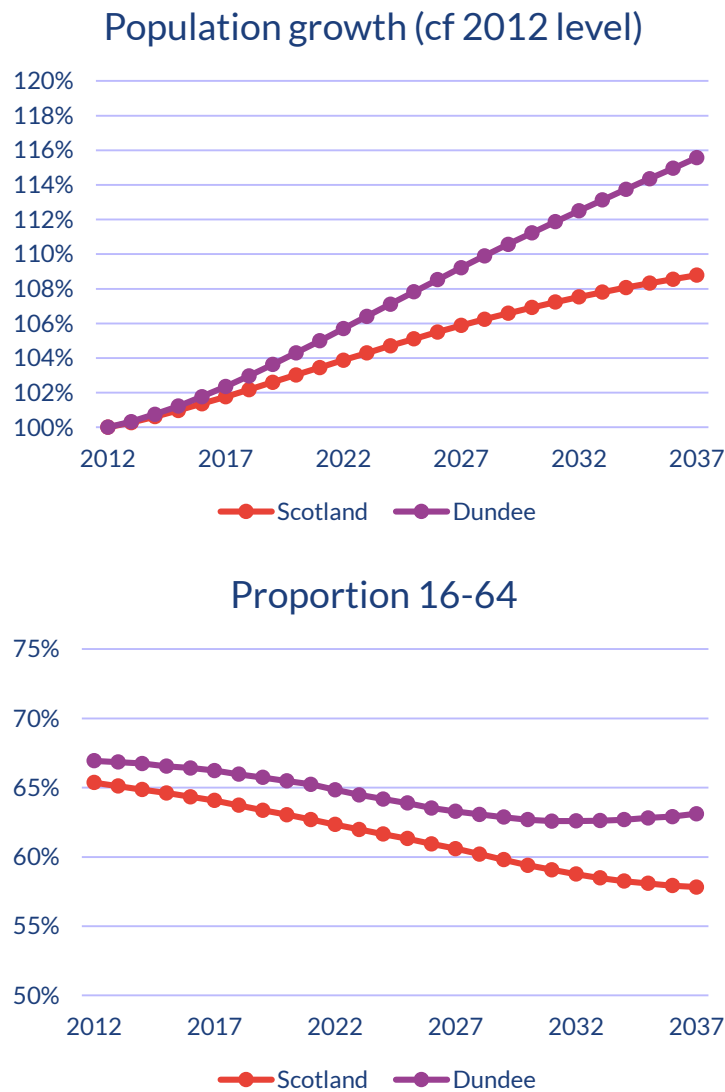


Figure 2: Population projections and working age population projections in Dundee and Scotland. [Source: National Records of Scotland, 2012-based principal population projections by sex and single year of age.]

Poverty

Dundee has a much higher proportion of people living in deprived areas than elsewhere in Scotland, with 29.3% of the population living in one of the 15% most deprived areas of Scotland⁸. A particularly notable domain of deprivation in Dundee is the housing domain in SIMD 2012 – 37.4% of Dundee datazones are in the 15% most deprived datazones in Scotland⁸.

⁸ Analysis of SIMD 2012 data taken from Single Outcome Agreement for Dundee, 2013-2017

The supply of labour

Summary

- In Dundee unemployment and economic inactivity are significantly higher than the Scotland level and the employment rate is significantly lower (Figure and Figure).
- One third (1,145) of claimants in March 2015 were claiming for over 1 year, indicating significant long term unemployment in Dundee (Figure).
- According to claimant count data, particularly over-represented groups in terms of unemployment are long term unemployed people, males and people aged 25+ (Figure).
- Part of the reason that older unemployed people are now over-represented in Dundee is that this group has not had the same level of employment recovery in the last two-three years after the peak of unemployment in the economic downturn (Figure 2).
- Unemployment in Dundee is dynamic, with high numbers of people flowing onto and off the claimant register each month (Figure).
- The high proportion of people in the Employment Support Allowance (ESA) Income Based Work Related Activity Group (WRAG) – all of whom are expected to carry out work related activity - represents a significant “complexity demand” for employability providers in Dundee.
- In February 2015, over 50% of the people claiming JSA were in just 9 of the 31 intermediate data zones. Dundee’s unemployment is now slightly more concentrated in these “hot spots” than it was ten years ago (Figure).
- School leavers in Dundee City Council area were 1.4 times more likely to go into Further Education than other areas in Scotland (Figure).
- Alongside recent improvements in school leaver positive destination rates, there is a widespread increasing awareness that early positive destination rates are not enough to really understand longer term outcomes for young people. Recent developmental data from SDS show that the proportion of young people whose destination is negative or unknown increases with age from 16 to 19, showing that there is significant work to be done to really understand the routes that young people take (Figure).
- In terms of working conditions, underemployment has been a more significant issue in Dundee over the last ten years than in other areas in Scotland (Figure 7) and average pay remains lower than elsewhere in Scotland (Figure 8)
- Recent downward trends in the proportion of working age people who are employed are associated both with increasing unemployment and increasing economic inactivity (Figure). Economic inactivity in 2014 was significantly higher than in 2010/2011, showing important recent changes.

- The parts of the economically inactive population that appear to be higher in Dundee than elsewhere in Scotland (though not at a strong level of statistical significance) are the student population, the number of long term sick people and people looking after the family or home.

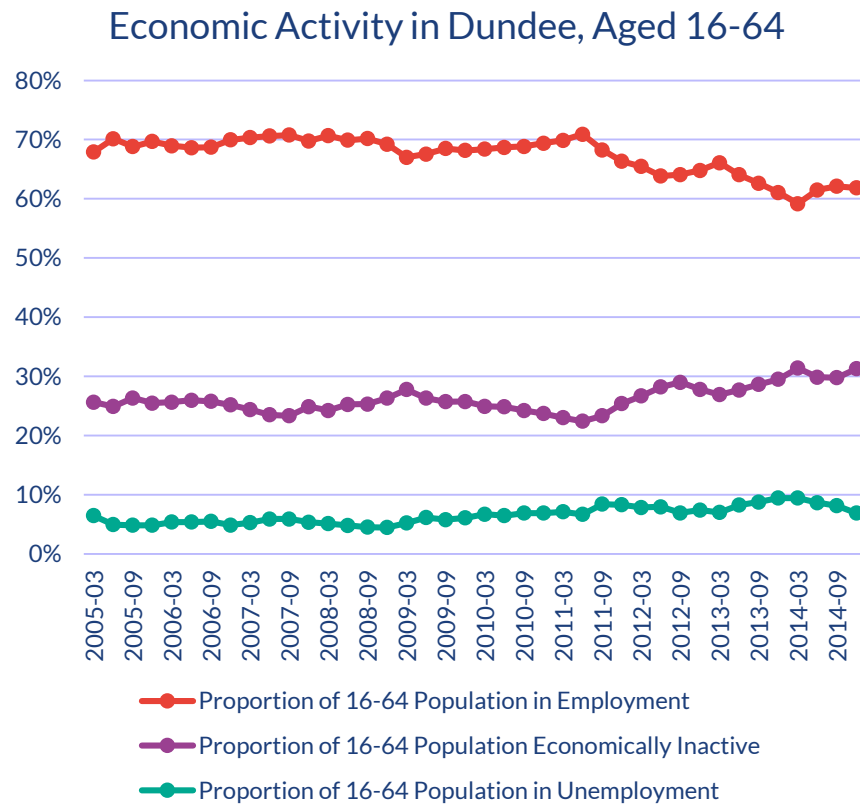


Figure 3: Working Age Economic Activity in Dundee. [Source: Annual Population Survey, NOMIS]

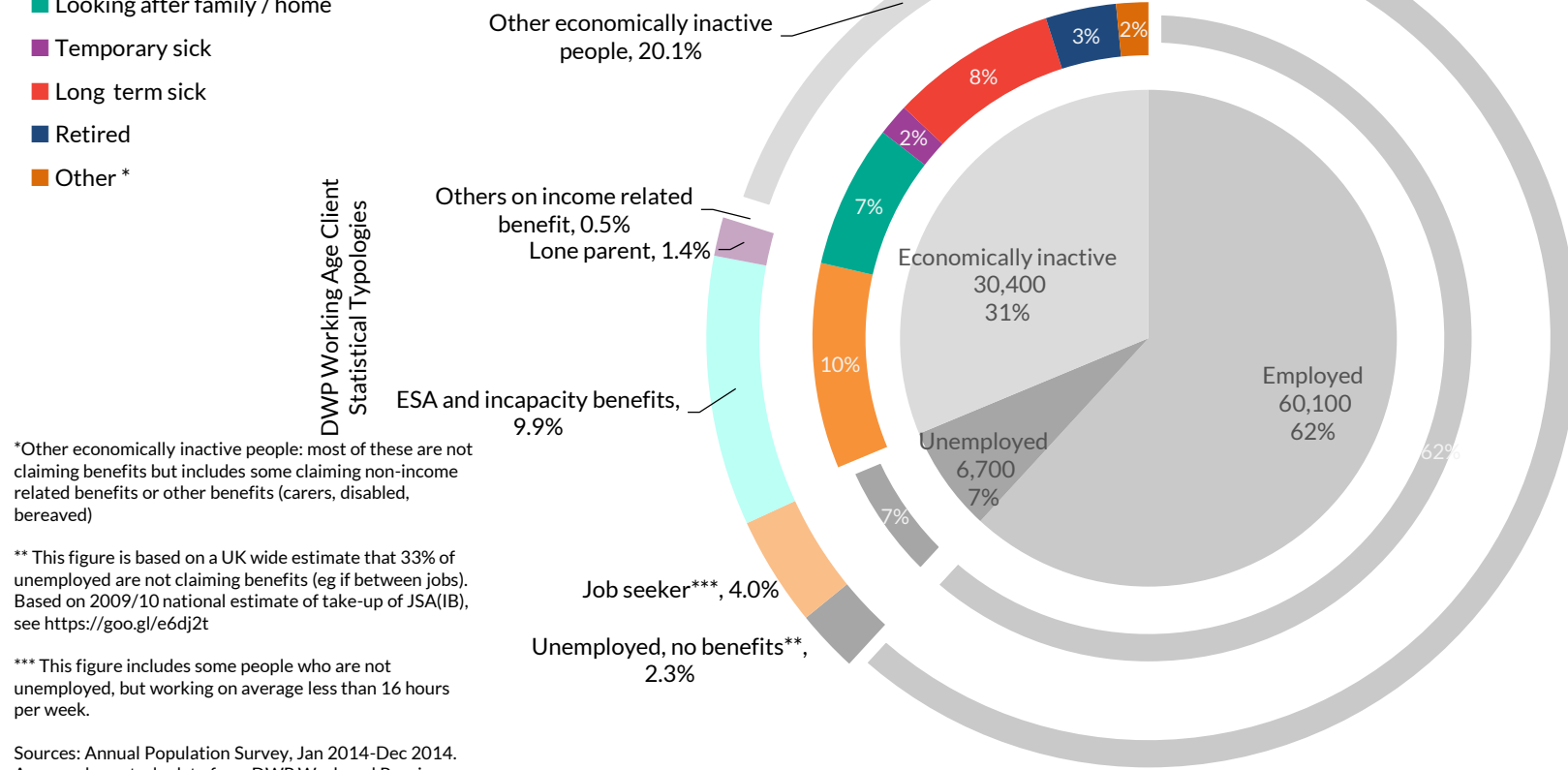


Dundee City

Reasons for Economic Inactivity:

- Student
- Looking after family / home
- Temporary sick
- Long term sick
- Retired
- Other *

Economic activity and out of work benefits among working age (16 - 64) residents



*Other economically inactive people: most of these are not claiming benefits but includes some claiming non-income related benefits or other benefits (carers, disabled, bereaved)

** This figure is based on a UK wide estimate that 33% of unemployed are not claiming benefits (eg if between jobs). Based on 2009/10 national estimate of take-up of JSA(IB), see <https://goo.gl/e6dj2t>

*** This figure includes some people who are not unemployed, but working on average less than 16 hours per week.

Sources: Annual Population Survey, Jan 2014-Dec 2014. Averaged quarterly data from DWP Work and Pensions Longitudinal Study, Feb 2014, May 2014, Aug 2014, Nov

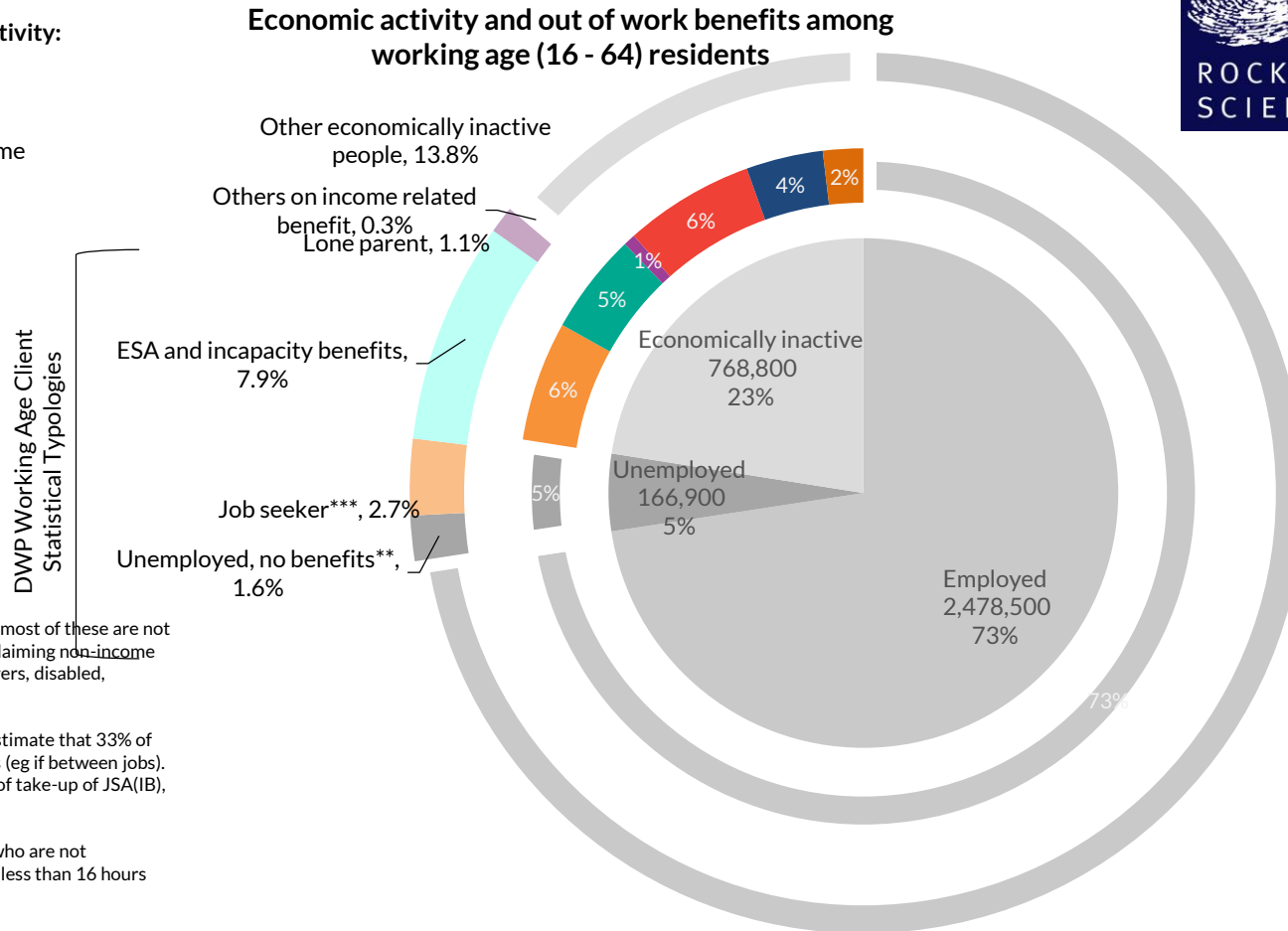
Figure 4: “Target” diagram of economic activity and DWP key benefits in Dundee [Source: Rocket Science analysis of sources shown in inset]



Scotland

Reasons for Economic Inactivity:

- Student
- Looking after family / home
- Temporary sick
- Long term sick
- Retired
- Other *



*Other economically inactive people: most of these are not claiming benefits but includes some claiming non-income related benefits or other benefits (carers, disabled, bereaved)

** This figure is based on a UK wide estimate that 33% of unemployed are not claiming benefits (eg if between jobs). Based on 2009/10 national estimate of take-up of JSA(IB), see <https://goo.gl/e6dj2t>

*** This figure includes some people who are not unemployed, but working on average less than 16 hours per week.

Sources: Annual Population Survey, Jan 2014-Dec 2014. Averaged quarterly data from DWP Work and Pensions

Figure 5: “Target” diagram of economic activity and DWP key benefits in Scotland [Source: Rocket Science analysis of sources shown in inset]

The gap in unemployment rates between Dundee City and Scotland has generally grown over the last three years, although over the past year there has been a considerable fall in the unemployment rate in Dundee, showing recent improvements. Nevertheless, unemployment remains significantly higher in Dundee than in Scotland.

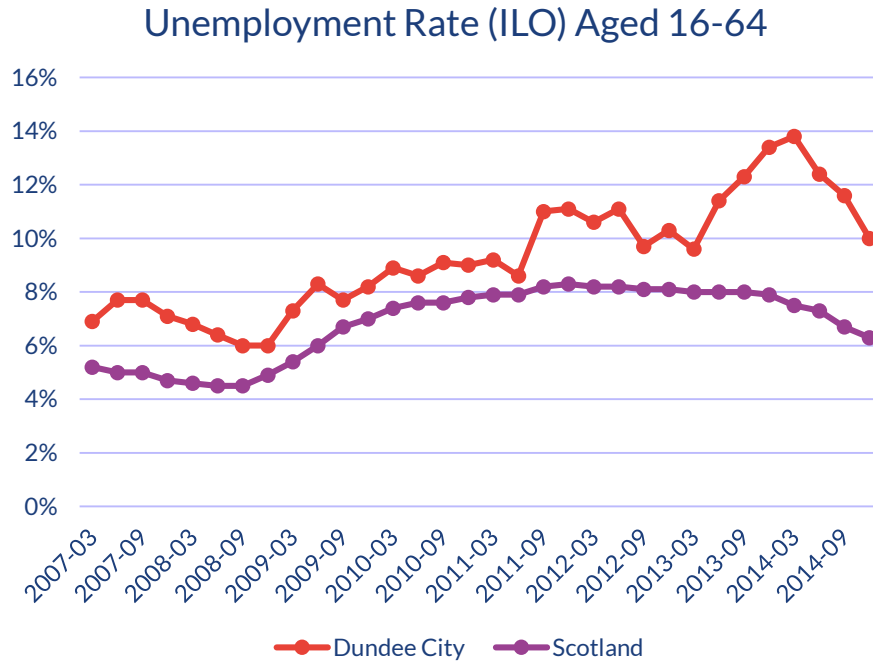


Figure 6: Unemployment rate (International Labour Organisation definition) of the working age population in Dundee City and Scotland [Source: Annual Population Survey, NOMIS]

Age, duration and sex of unemployed people Dundee

Claimant count data provides more information about the nature of unemployed people in Dundee (Figure). In March 2015, there were 3,465 claimants aged 16-64 in Dundee (as per claimant count data). One third (1,145) of these were claiming for over 1 year, indicating significant long term unemployment in Dundee⁹.

⁹ Unless otherwise stated, we use long term unemployment to mean claiming JSA for over 12 months.

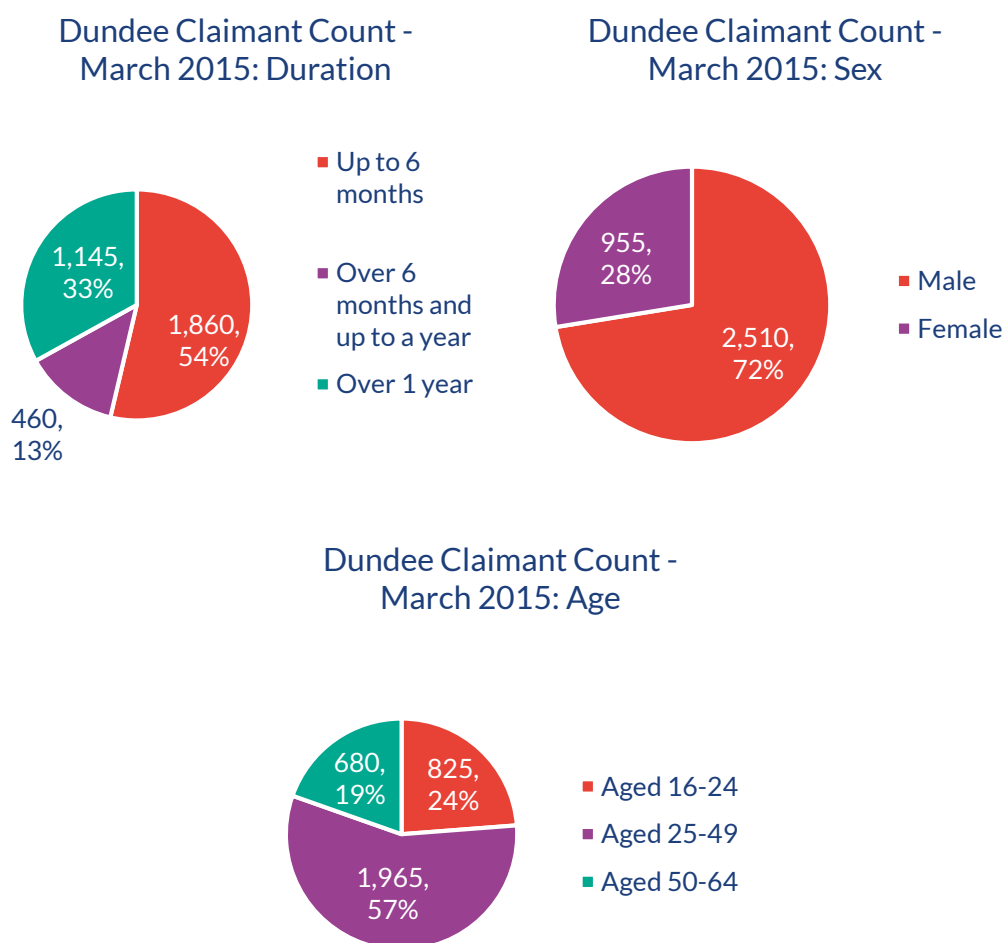


Figure 7: Duration, Sex and Age of claimants in Dundee (claimant count, March 2015) [Source: NOMIS]

To place this in context, the proportion of the population claiming in Dundee is compared to the proportion of the population claiming in Scotland, broken down by age, duration and sex (**Figure**). Overall, the rate of claimants in Dundee is greater than the Scottish level by a factor of 1.46. According to the claimant count, the particularly over-represented groups in unemployment in Dundee, March 2015 were¹⁰:

- Long term unemployed
- Males
- People aged 25 and over.

As an example, in Dundee, 1.9% of males aged 50-64 were long term unemployed (ie claiming for over 1 year). Nationally, only 0.8% of males of this age were long term unemployed.

¹⁰ We note that here that the claimant count is a poor representation of unemployment for young people aged 16 and 17

Sex	Claim duration	Age			
		Aged 16-64	Aged 16-24	Aged 25-49	Aged 50-64
Total	Total	3465	825	1965	680
Total	Up to 6 months	1860	570	1020	275
Total	Over 6 months and up to a year	460	135	235	95
Total	Over 1 year	1145	125	715	310
Male	Total	2510	565	1435	515
Male	Up to 6 months	1330	375	750	205
Male	Over 6 months and up to a year	315	95	155	60
Male	Over 1 year	870	90	530	250
Female	Total	955	260	530	165
Female	Up to 6 months	535	190	270	70
Female	Over 6 months and up to a year	150	35	75	35
Female	Over 1 year	275	30	185	60

Figure 8: Age and duration of claimants in Dundee, March 2015. Numbers denote number of claimants
[Source: NOMIS Claimant Count – Age Duration with Proportions]

Sex	Claim duration	Age			
		Aged 16-64	Aged 16-24	Aged 25-49	Aged 50-64
Total	Total	1.46	1.10	1.58	1.53
Total	Up to 6 months	1.27	0.96	1.31	1.11
Total	Over 6 months and up to a year	1.67	1.25	1.25	2.00
Total	Over 1 year	2.00	1.67	2.14	2.00
Male	Total	1.53	1.12	1.58	1.74
Male	Up to 6 months	1.29	0.97	1.35	1.33
Male	Over 6 months and up to a year	1.20	1.33	1.40	1.67
Male	Over 1 year	2.25	1.60	2.20	2.38
Female	Total	1.27	1.11	1.38	1.20
Female	Up to 6 months	1.22	1.00	1.10	0.83
Female	Over 6 months and up to a year	1.50	1.00	1.50	2.00
Female	Over 1 year	1.67	1.50	1.75	1.33

Figure9: Comparison of the rate of population claiming in Dundee and Scotland, March 2015. Each number represents (Rate of claimants in Dundee / Rate of claimants in Scotland) [Source: NOMIS Claimant Count – Age Duration with Proportions]

Overall, there are more than twice as many people aged 25+ in Dundee who have been unemployed for over 1 year compared to the Scotland level –many of these people may have had little or no work experience.

Part of the reason that older unemployed people are now over-represented in Dundee is that this group has not had the same level of employment recovery in the last two-three years after the peak of unemployment in the economic downturn (Figure 2). This may be associated with the longer impact of recession on long term unemployed people, many of whom are older - the trend of the peak unemployment in the recession shows a 'lag' for those who have been claiming longer (Figure).

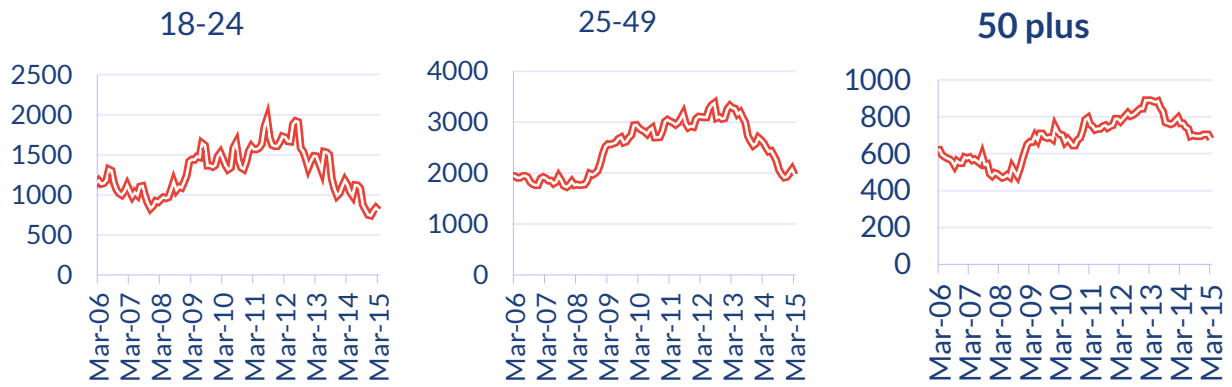


Figure 2: Trends in claimant count from May 2005 to March 20015 by age band [Source: Claimant Count, NOMIS]

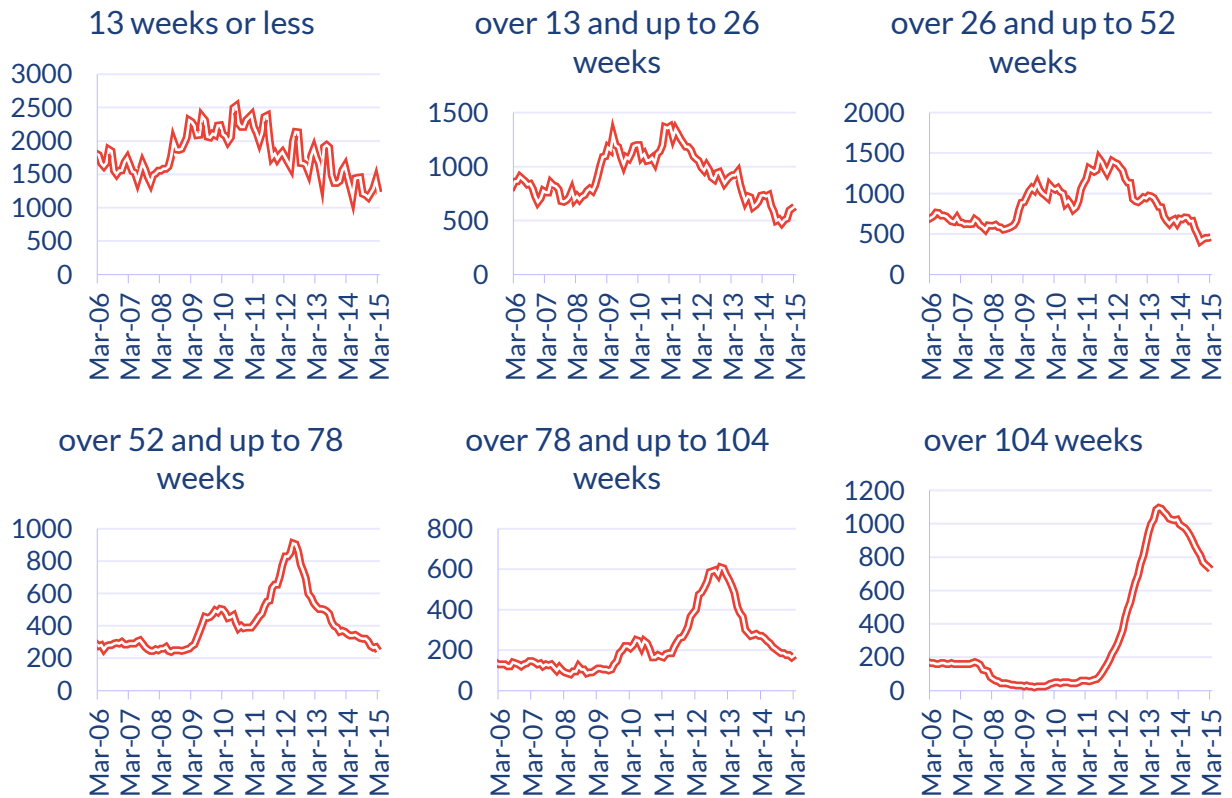


Figure 12: Trends in claimant count numbers in Dundee by duration of claiming, showing the expected “lag” in peak unemployment in the recession by duration of claim [Source: Claimant Count, NOMIS]

The dynamic nature of unemployment

Unemployment in Dundee is highlight dynamic, with high numbers of people flowing onto and off the claimant register each month (Figure). In March 2015, there were 600 people who started a new period of claiming JSA (either claiming for the first time or a repeat claimant), comprising 17.3% of the total claimant count in that month. Given the extent of monthly movement, it is important to note that there is little publically available data on the way that clients move into and out of employment at an individual level, and that this has implications for the need for a strong, shared understanding of these client flows.

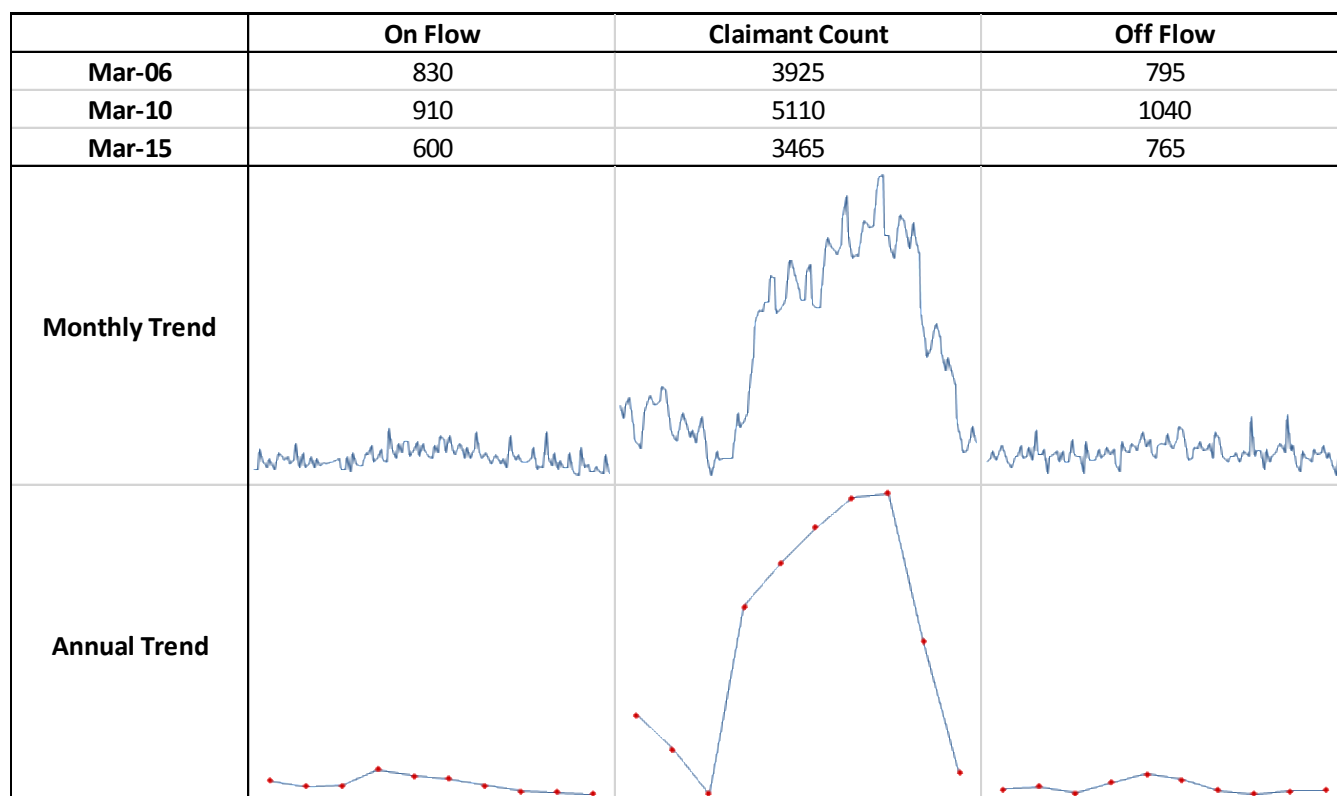


Figure 13: Trends in on-flows, off-flows and claimant count in Dundee from May 2005 to March 2015 [Source: Claimant Count, NOMIS]

The ESA WRAG group

In both Dundee and across Scotland, the largest group of benefit claimants in terms of the DWP’s Statistical Typologies is the ESA and Incapacity Benefits group, which comprises almost 10% of the working age population in Dundee. This group is much larger than the jobseekers group.

Dundee’s proportion of the working age population claiming either employment support allowance (ESA) or incapacity benefit/severe disablement allowance (IB/SDA) has remained steady and higher than Scotland in recent years (Figure).

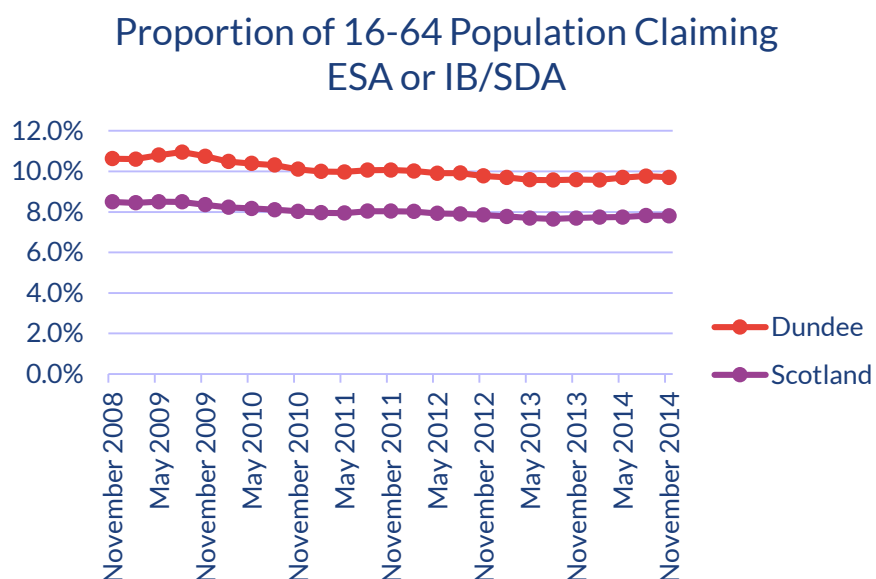


Figure 14: The proportion of people aged 16-64 claiming ESA or IB/SDA in Dundee and Scotland [Source: NOMIS DWP Benefits data]

Due to benefit changes, the number of ESA claimants now dominates over those claiming Incapacity Benefits, thus warranting further focussed investigation. The breakdown of ESA by phase and payment type is shown below, along with the comparison of working age population rate against that of Scotland (eg someone in the working age population in Dundee is 1.51 times more likely to be claiming ESA in the Work Related Activity group). The high proportion of people in the ESA Income Based WRAG group – all of whom are expected to carry out work related activity - represents a significant “complexity demand” for employability providers in Dundee.

	Both Contributions and Income Based	Contributions Based	Income Based	No Payments - Credits Only	Total
Assessment phase	20	280	1330	40	1670
Support group	920	1310	1790	20	4030
Work related activity group	40	110	2500	220	2880
Total	980	1700	5620	450	8760
	Both Contributions and Income Based	Contributions Based	Income Based	No Payments - Credits Only	Total
Assessment phase	-	0.95	1.29	-	1.21
Support group	1.19	1.06	1.14	-	1.12
Work related activity group	-	1.40	1.56	1.07	1.51
Total	1.20	1.05	1.34	1.02	1.24

Figure 15: Comparison between Dundee ESA numbers and those in Scotland [Source: NOMIS DWP Benefits data]

Geographic Inequality in Unemployment

The figures below show that JSA claimants are distributed unevenly across Dundee City (as in other areas of Scotland).

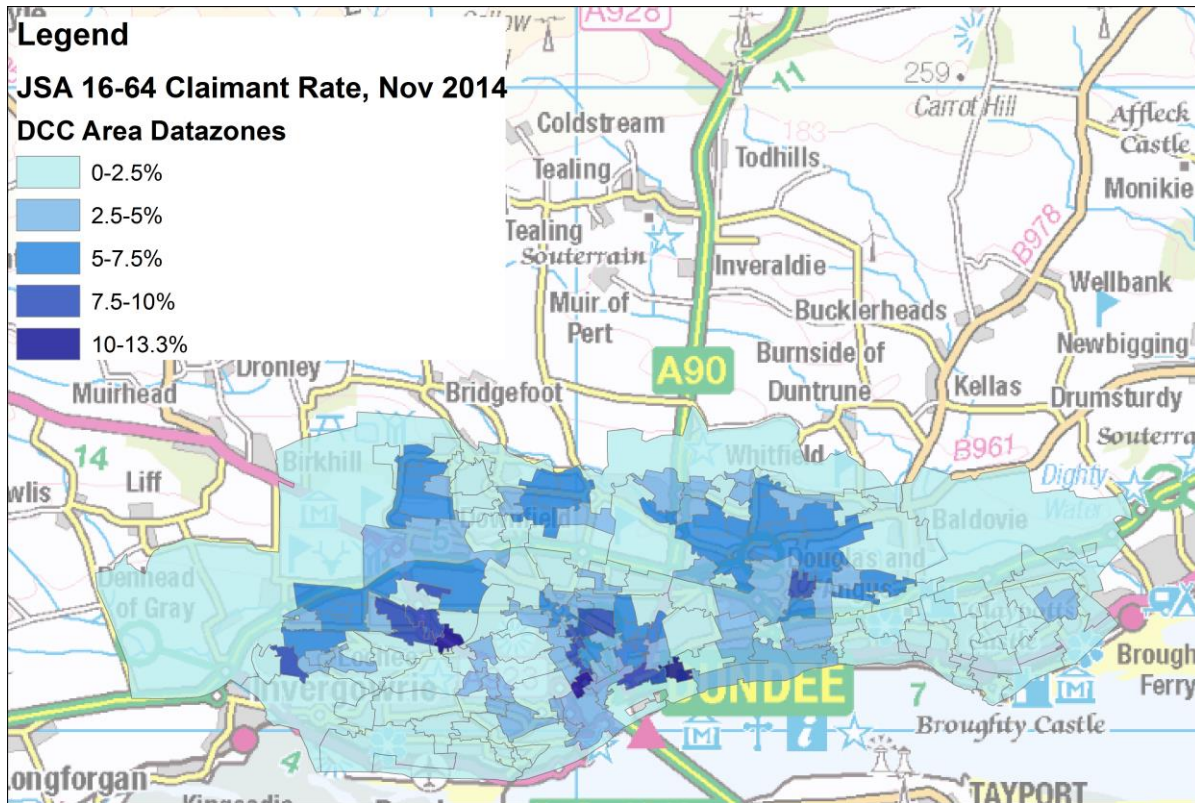


Figure 16: JSA claimant rate across data zones in Dundee [Source: NOMIS – Jobseekers allowance for small areas]

In February 2015, over 50% of the people claiming JSA were in just 9 of the 31 intermediate data zones, namely

S02000208	Stobswell
S02000214	Lochee
S02000201	City Centre
S02000211	Hilltown
S02000225	Ardler and St Marys
S02000216	Charleston
S02000221	Linlathen and Midcraigie
S02000203	Docks and Wellgate
S02000217	The Glens

These intermediate zones have had a high proportion of unemployed people for at least the past 10 years (Figure 7). In fact, the “degree of inequality” in JSA claimants appears to have risen slightly – ie Dundee unemployment is now slightly more concentrated in hot spots than it was ten years ago.

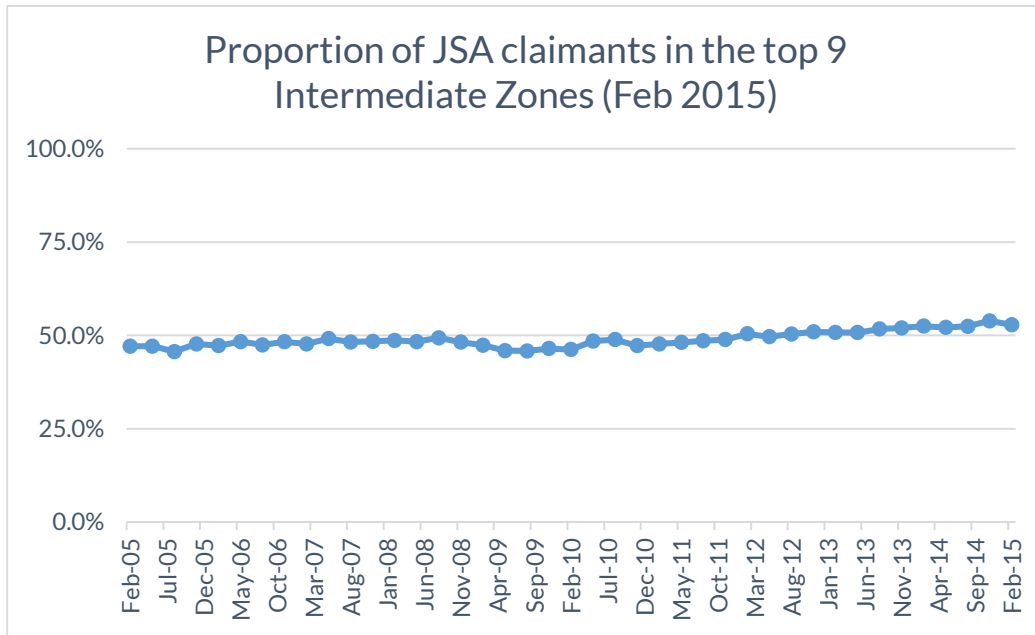


Figure 17: The historic trend of the proportion of JSA claimants who are in the top 9 intermediate zones as at 2015 [Source: NOMIS – Jobseekers allowance for small areas]

Lone parents

Understanding the profile of lone parents, and their key benefits, is challenging. A key benefit for lone parents has historically been Income Support. In Dundee, as for the rest of the UK, claimants of Income Support have steadily fallen:

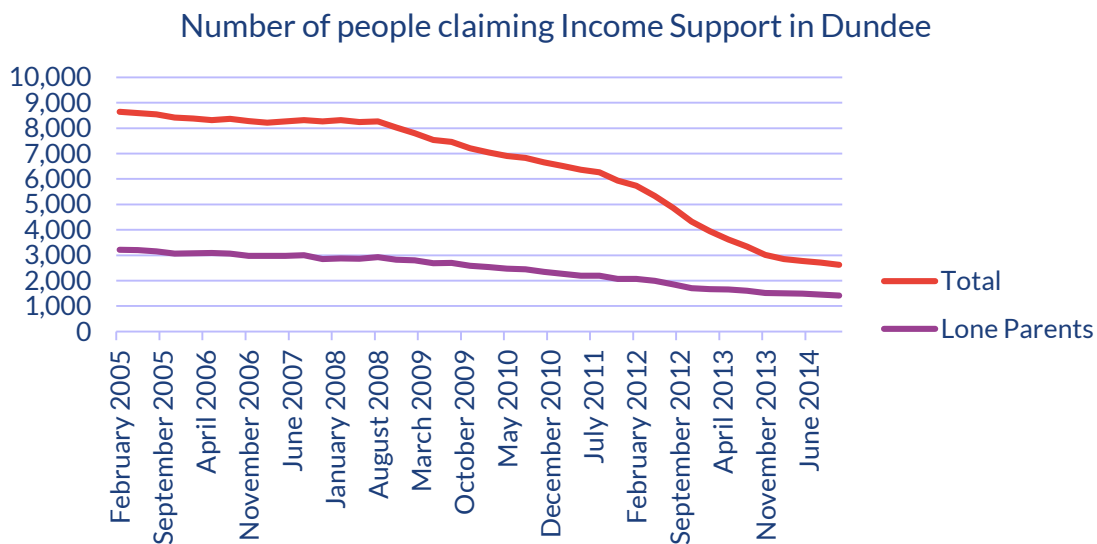


Figure 18: Downward trend in those claiming income support in Dundee [Source: NOMIS DWP Benefits data]

This fall is linked to changes in the eligibility criteria for benefits. From November 2008 *“most lone parents with older children are no longer entitled to Income Support if they are only claiming it because they are a lone parent”*¹¹. Instead, lone parents able to work may claim Jobseekers Allowance. Across the UK, there has indeed been an increase in lone parents on the (JSA) claimant count:

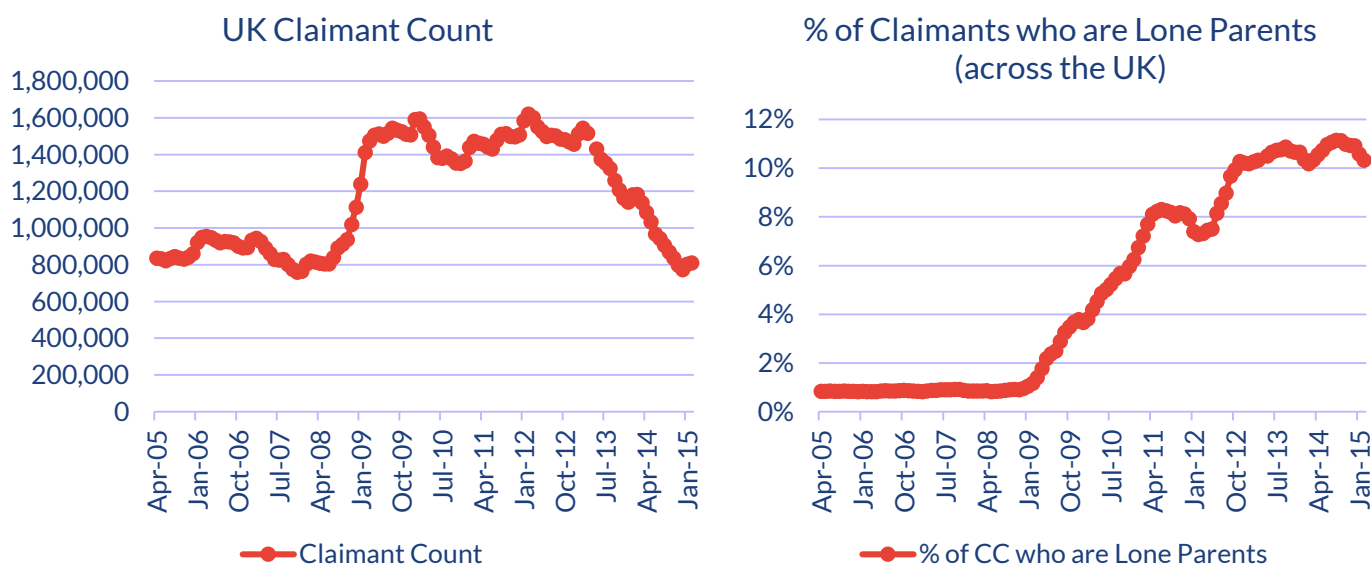


Figure 19: Total claimant count and lone parent proportion in UK [Source: Lone parents receiving JSA: monthly claimant count, March 2015, DWP Statistics]

It is difficult to disaggregate changes in the economy with changes to the benefit regime¹². The table below compares two points in time with similar levels of claimant count. We note that, across the UK, the fall in numbers of lone parents claiming Income Support far outweighs the rise in lone parents claiming JSA.

	February 2008	November 2014
Claimant Count	821,360 ¹³	792,250 ¹⁴
Lone Parents on Claimant Count	6,960 ¹⁵	87,185 ¹⁶
Lone Parents claiming Income Support	859,400 ¹⁷	472,440 ¹⁸

11 Lone parents receiving JSA: monthly claimant count, March 2015, DWP Statistics.

12 See an excellent discussion on this at <https://www.teesvalleyunlimited.gov.uk/media/107866/benfchangepatterns08-11.pdf>

13 Lone parents receiving JSA: monthly claimant count, March 2015, DWP Statistics

14 Lone parents receiving JSA: monthly claimant count, March 2015, DWP Statistics

15 Lone parents receiving JSA: monthly claimant count, March 2015, DWP Statistics

16 Lone parents receiving JSA: monthly claimant count, March 2015, DWP Statistics

17 NOMIS DWP Benefits Data, Income Support, claimants with no partner and one or more children.

18 NOMIS DWP Benefits Data, Income Support, claimants with no partner and one or more children.

Qualifications

The working age population of Dundee has a similar spread of highest qualification as the Scottish average (Figure and Figure); 19% of working age people have no qualifications at all while 27% have Level 4 (degree level, SVQ 5) or higher¹⁹. The unemployment rate is between 1.3 times and 1.6 times higher than the national average across all qualification levels, and the difference is greatest for people whose highest level of qualification is a level 2 or higher.²⁰

Young people aged 16-24 with no qualifications have the highest unemployment rate by age/qualification group, with 51% unemployment, compared to a national average of 44%.²¹

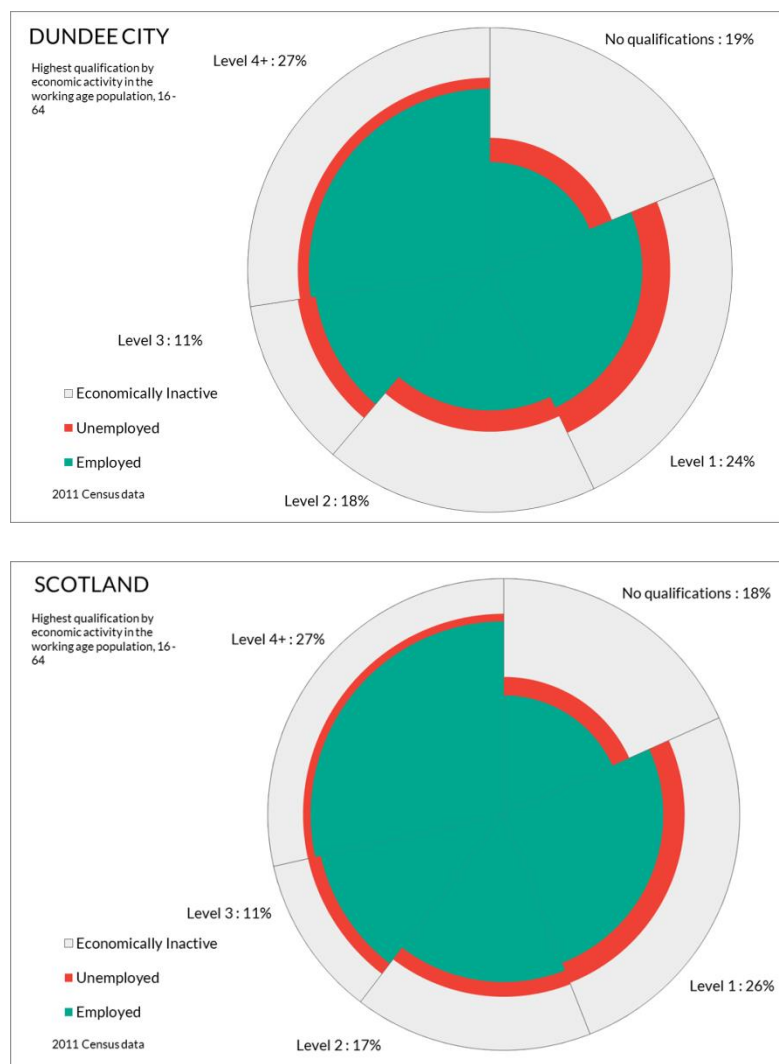


Figure 20: Highest qualification by economic activity in the working age population [Source: 2011 Census]

19 Rocket Science analysis of 2011 Census data

20 Rocket Science analysis of 2011 Census data

21 Rocket Science analysis of 2011 Census data

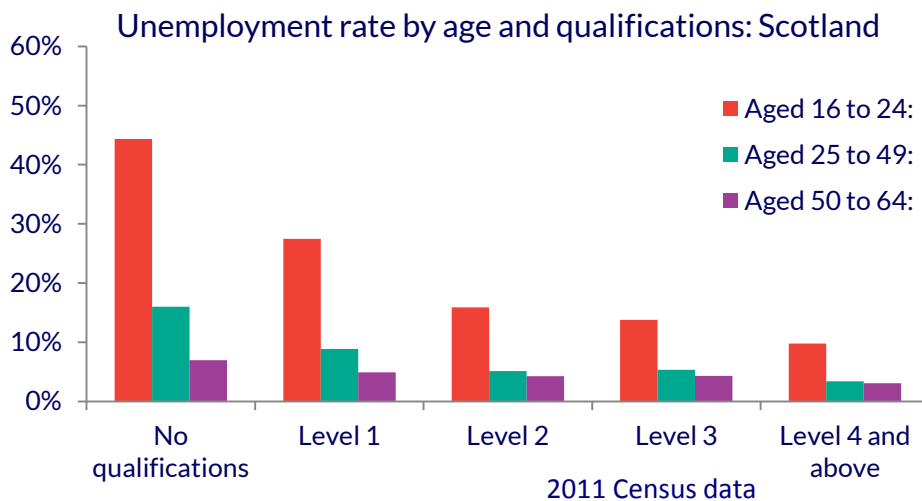
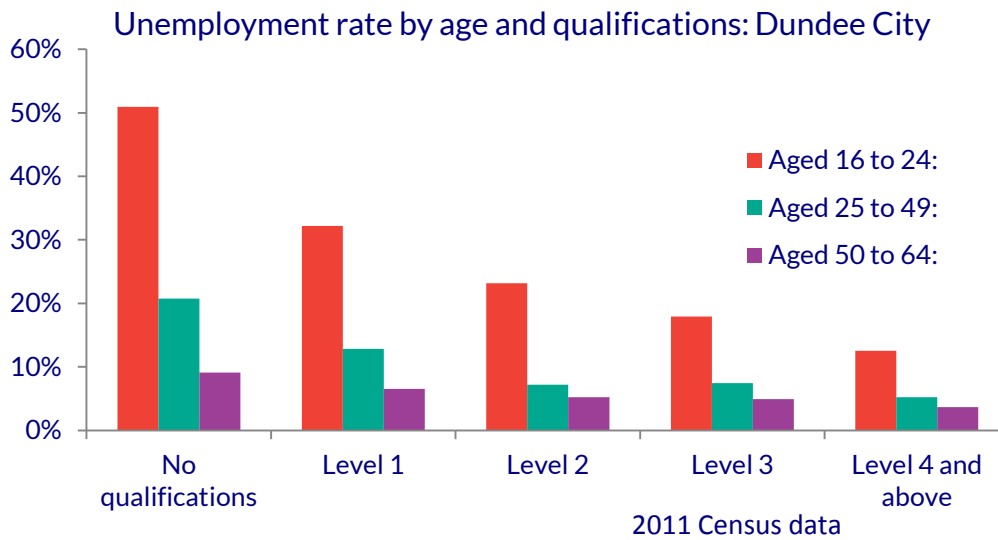


Figure 21: Unemployment rate by age and qualifications in the working age population [Source: 2011 Census]

Figure 4 shows the proportion of people aged 16-64 who are in employment broken down by their highest level of qualification. Generally across the last decade there is a clear pattern of higher employment rates amongst people with higher levels of qualifications. Interestingly, those people with no qualifications or only a Higher or Standard Grade qualification have appeared to fare increasingly less well in terms of their employment since 2006. While difficult to tease apart, there could be an increasingly significant issue of displacement, where people with higher level of qualifications are increasingly taking lower skilled jobs and removing the availability of these jobs for lower skilled people. The rise in numbers with degree level qualifications is shown in Figure 5.

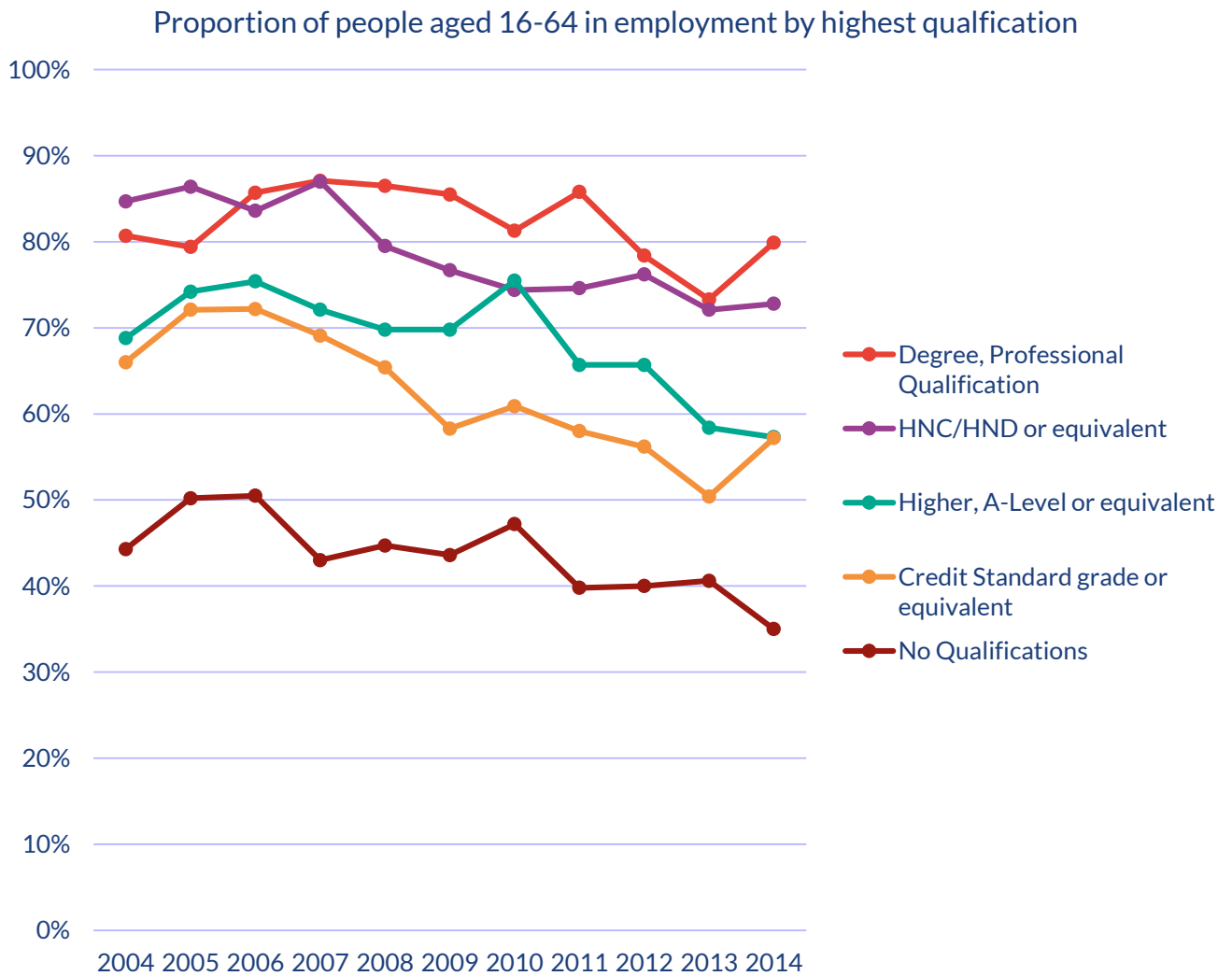


Figure 4: Proportion of working age population in employment by highest qualification [Source: Local Area Labour Markets in Scotland – Statistics from the Annual Population Survey 2014, Scottish Government]

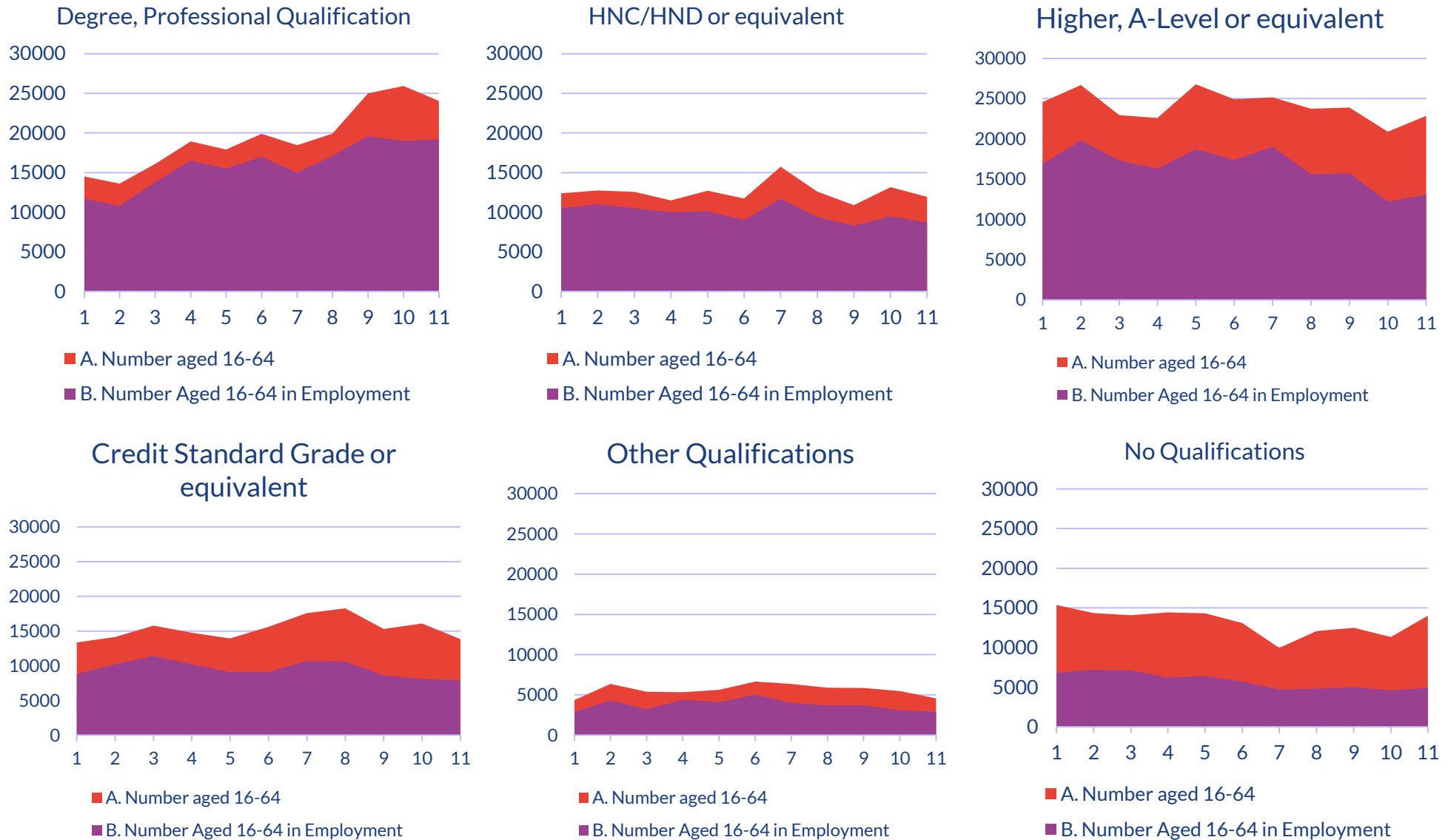


Figure 5: People in employment by highest level of qualification [Source: Local Area Labour Markets in Scotland – Statistics from the Annual Population Survey 2014, Scottish Government]

Young people

School leavers' destinations in the Dundee City Council area in 2013/14 are presented in (Figure). In 2013/14 there were 1331 leavers in total. 36.7% of these went to Further Education, compared to the figure of 26.1% across the rest of Scotland. This means that school leavers in Dundee City Council area were 1.4 times more likely to go into Further Education than other areas in Scotland. Only East Ayrshire had a higher proportion of school leavers going to Further Education.

Dundee City Council also had the third highest rate of school leavers going into the “Unemployed not seeking” category, with this outcome 1.8 times more likely in Dundee than in the rest of Scotland. We note that these numbers are small (25 Dundee school leavers).

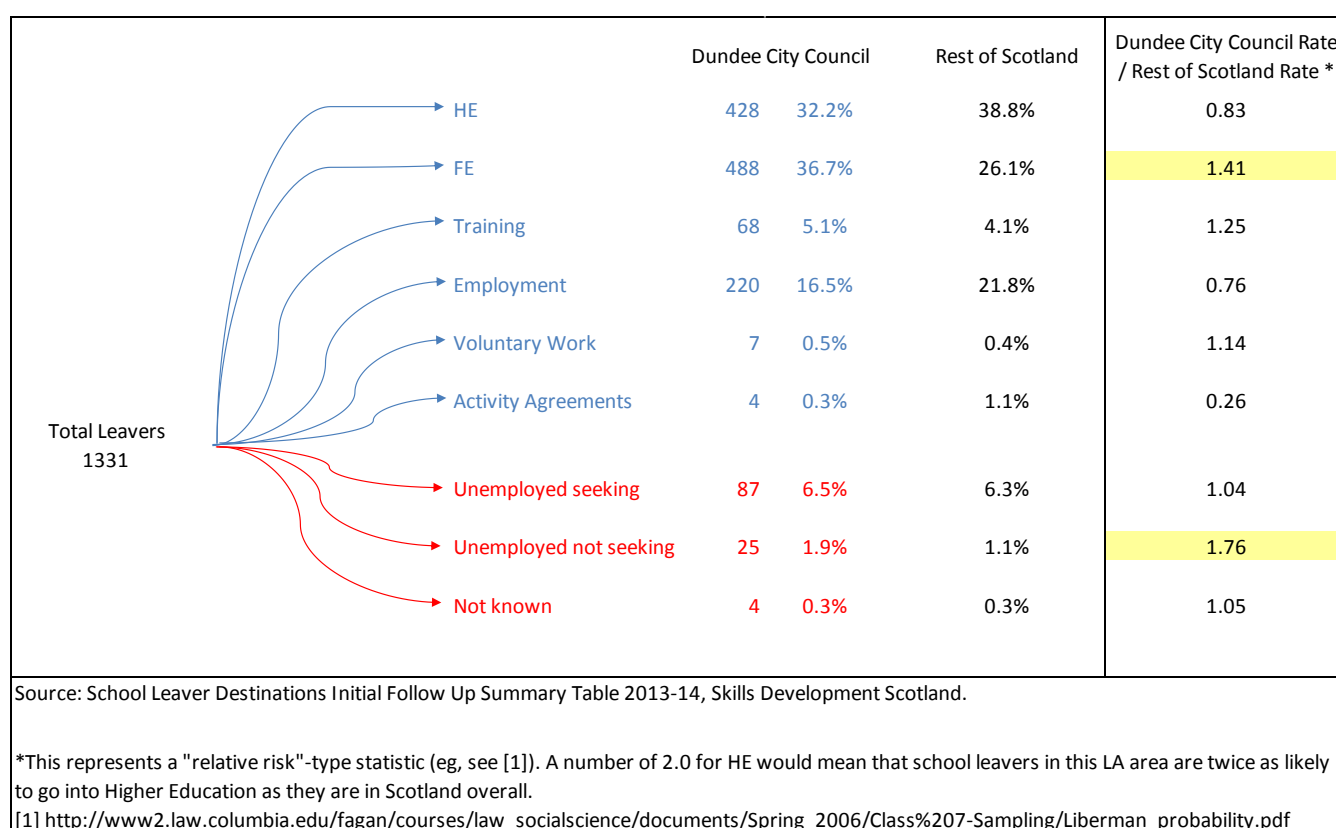


Figure 24: School leaver destinations in Dundee compared to the rest of Scotland [Source: Rocket Science analysis of Skills Development Scotland data]

Skills Development Scotland provides greater detail on the profile of school leavers in their Dundee Community Planning Partnership report²². Key points from that analysis are:

- The proportion of school leavers going into the unemployed seeking group (6.5%), while still 0.2 percentage points higher than Scotland, is the lowest it has ever been in Dundee and down from 15.3% in 2009/10.
- Positive destination rates are strongly related to the level of deprivation in the areas where school leavers' live.
- Positive destination rates are strongly related to the school that leavers attend, with Grove Academy having a positive destination rate of 95.2% and Baldrigon Academy only 86.0%.

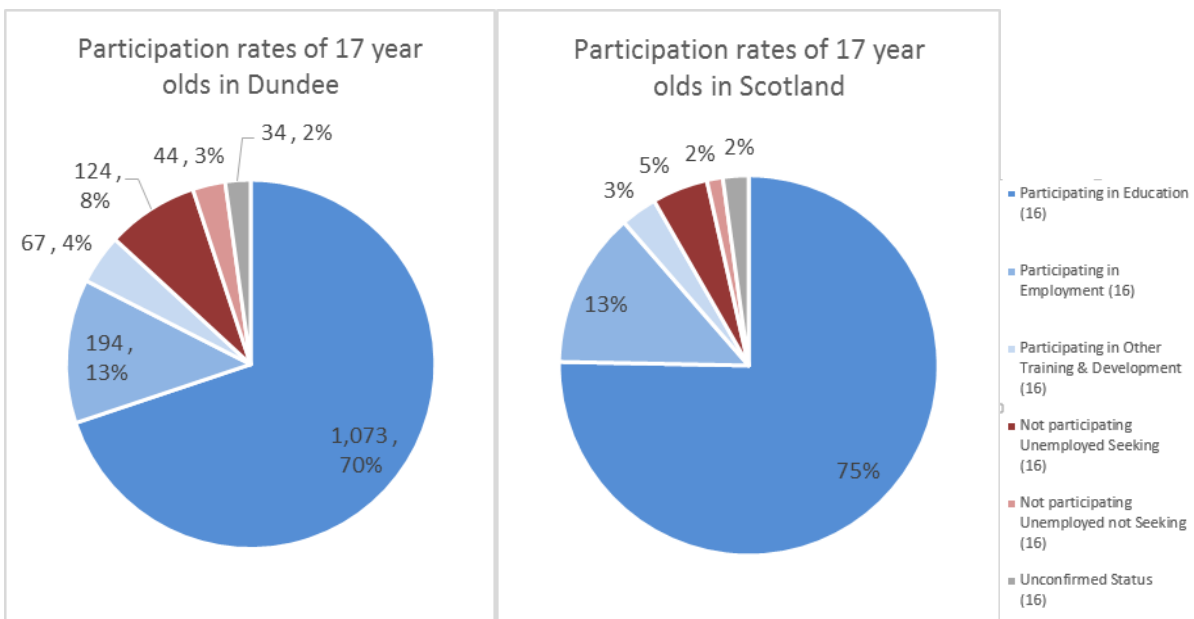
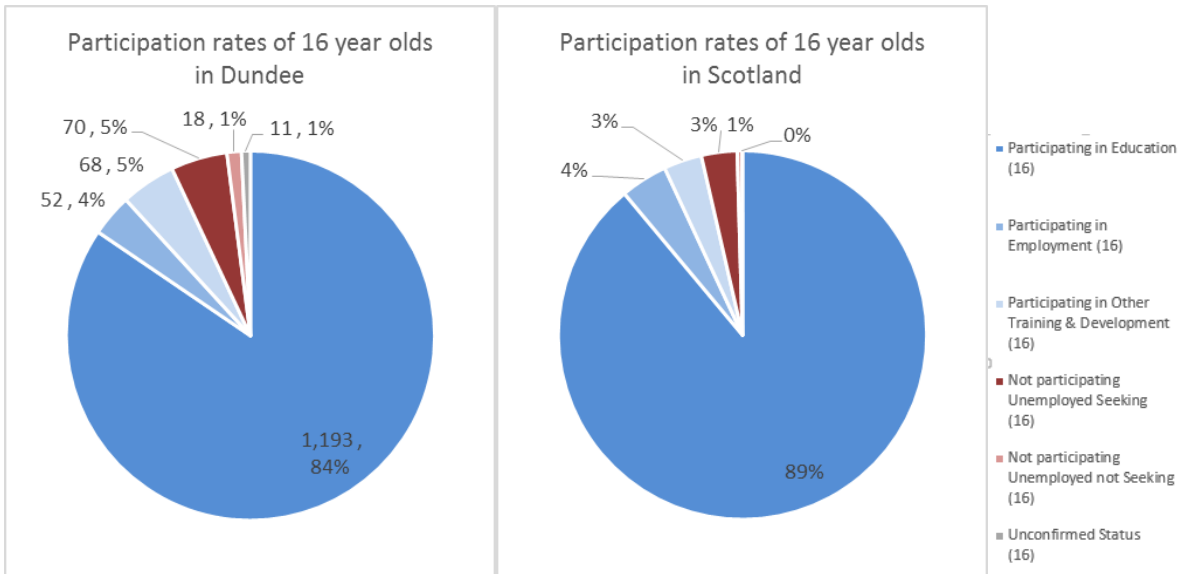
With the apparent improvements in the positive destination rates of young people in Dundee (in terms of unemployment outcomes) since 2009/10, it is tempting to view this as a problem that is being solved. However, there is a widespread increasing awareness that early positive destination rates are not enough to really understand whether school leaver outcomes are indeed the best outcome for each individual, and that a much better system of longitudinally tracking young people would be needed to assess whether early intervention and prevention approaches are working.

For the first time, in August 2015 Skills Development Scotland (SDS) published experimental statistics on the participation rates of all young people (16-19 year olds) at April 2015. This data set aims to provide a far richer picture of the pathways that young people take, and presents a real opportunity for understanding the 16-19 cohort in a way that has not previously been possible.

Overall, at April 2015 in Dundee City there were 649 people aged 16-19 who were unemployed, with a further 267 whose status was unknown²³. The age breakdown of this group, and comparison with Scotland, is shown in Figure 25 below. While caution must be used to interpret these early statistics, it appears that in each of the individual age groups the proportion in unemployment is higher in Dundee than other Scotland overall. A notable feature of the data is that the proportion of people whose destination is unknown increases with age, such that in Dundee 10% of 19 year olds' participation category is not known – this exemplifies the kind of joined up approach to tracking young people which is currently lacking.

²² Skills Development Scotland, Dundee City Council, Community Planning Partnership Report, December 2014

²³ Skills Development Scotland, Participation Measure for 16 – 19 year olds in Scotland, August 2015



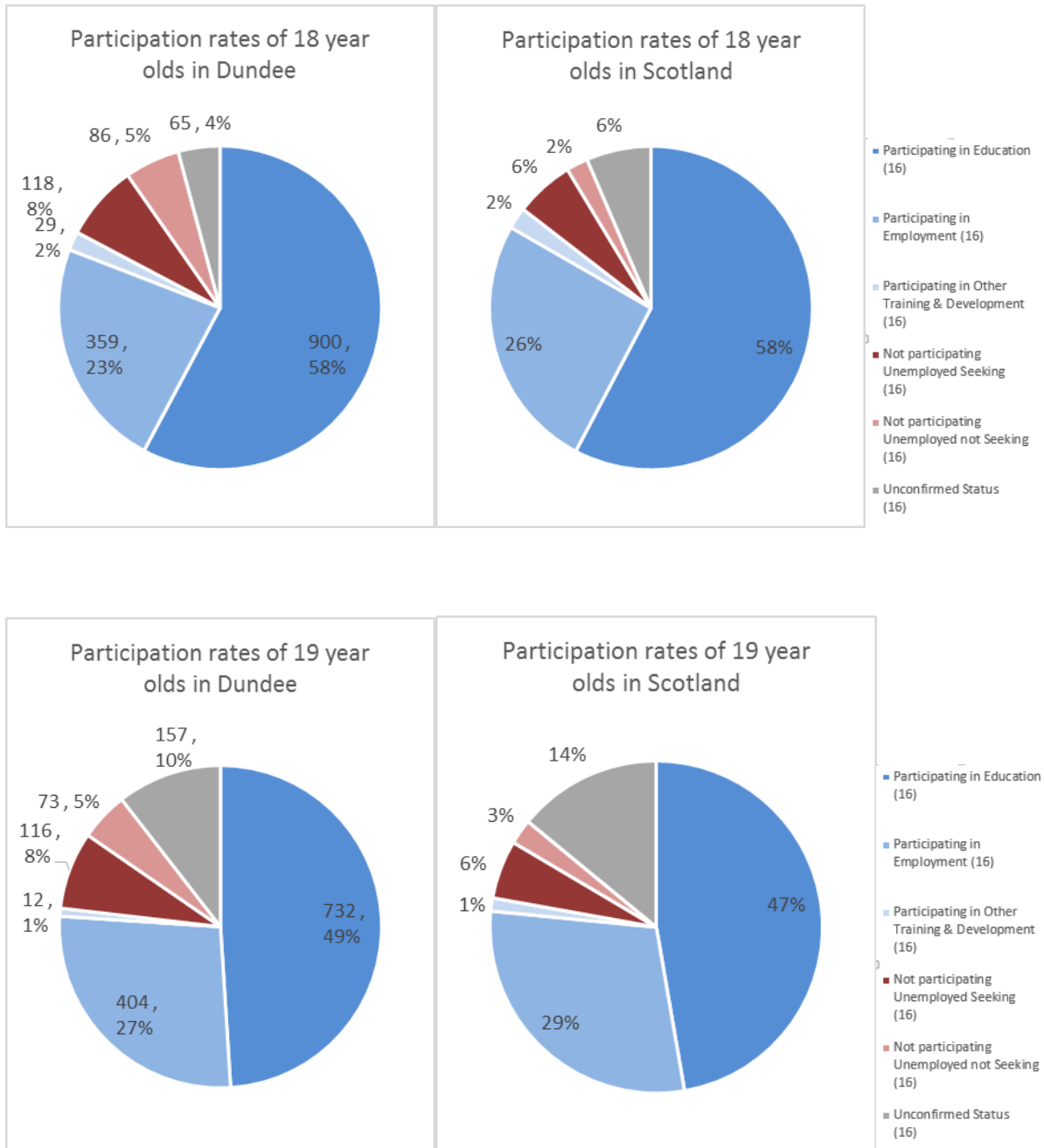


Figure 25: Participation rates amongst 16-19 year olds in Dundee and Scotland at April 2015 [Source: Skills Development Scotland, Participation Measure for 16 – 19 year olds in Scotland, August 2015]

Investigating how the profile of participation changes with age in Dundee (which gives some insight into progression routes of young people), we note that the proportion of 18 year olds in Dundee who are unemployed and not seeking work is particularly high, both in comparison with the proportion of 17 year olds in Dundee and with the proportion of 18 year olds across Scotland (Figure 6). Presenting these data by age group shows that across Scotland the proportion of young people whose destination is negative or unknown increases with age, showing that there is significant work to be done to really understand the sub-optimal routes that young people may be taking and addressing these early.

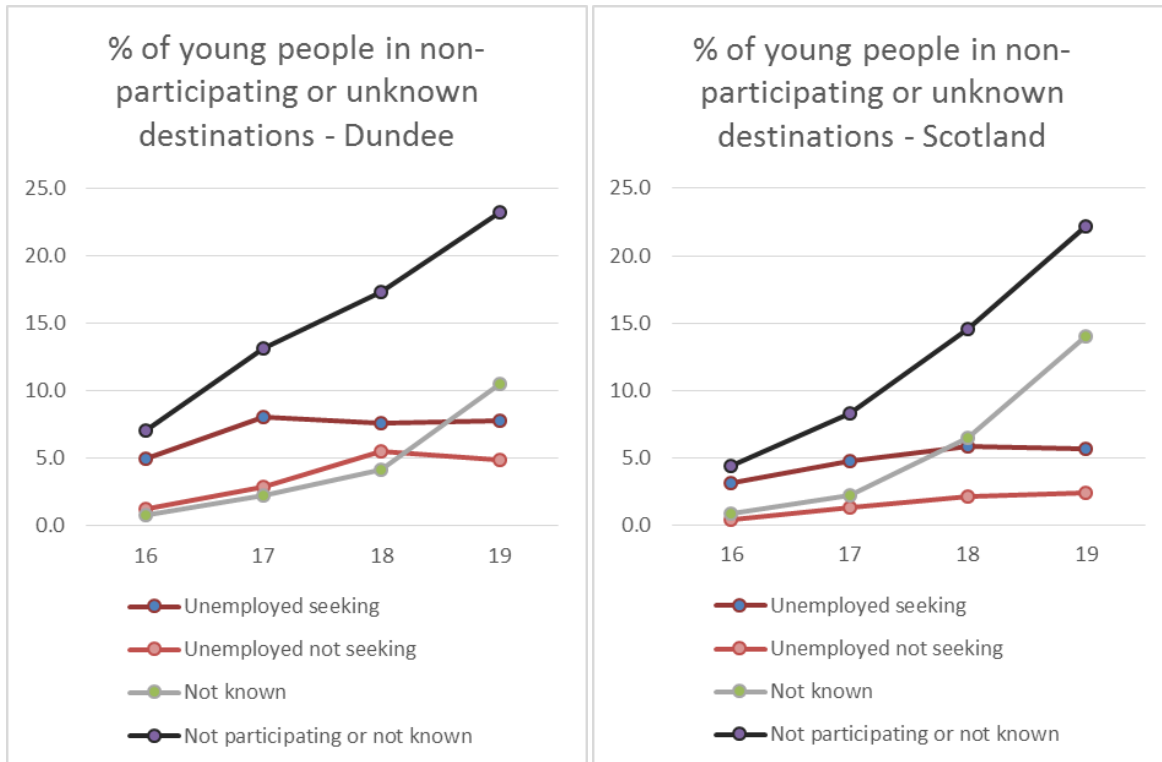


Figure 26: Negative or not known destinations of 16-19 year olds in Dundee and Scotland at April 2015 [Source: Skills Development Scotland, Participation Measure for 16 – 19 year olds in Scotland, August 2015]

SDS analysis also presented the extent to which the unemployed seeking group varied with deprivation **Figure 6** and found that there was a very clear link between higher levels of unemployment and deprivation.

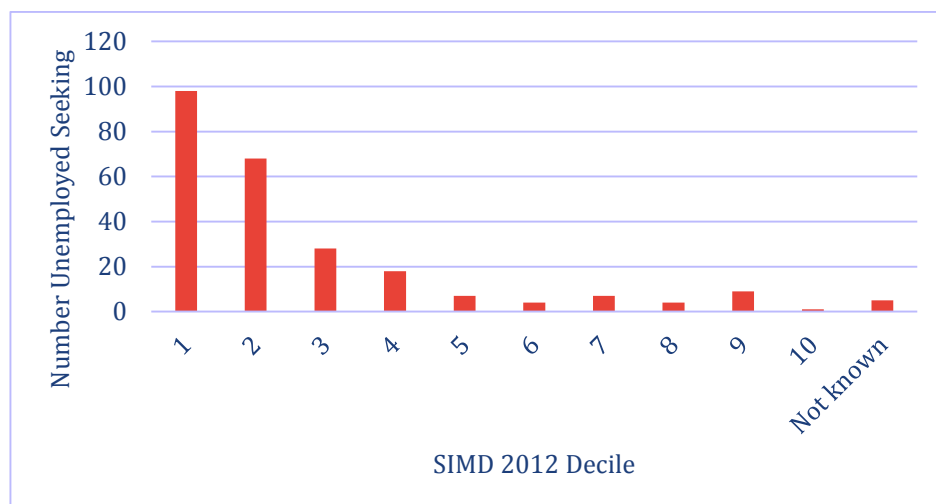


Figure 6: Deprivation profile of young people in the “unemployed seeking” [work] group, December 2014 snapshot [Source: Skills Development Scotland, Dundee City Council, Community Planning Partnership Report, December 2014]

Working conditions in Dundee

Underemployment has been a more significant issue in Dundee over the last ten years than in other areas in Scotland (**Figure 7**). An exception to this was the latest data (2014), in which there was an apparent dramatic fall in the underemployment level in Dundee. It is not clear from the data what this can be attributed to - at a national level, the 2014 fall in underemployment was seen in male workers and people aged 25+

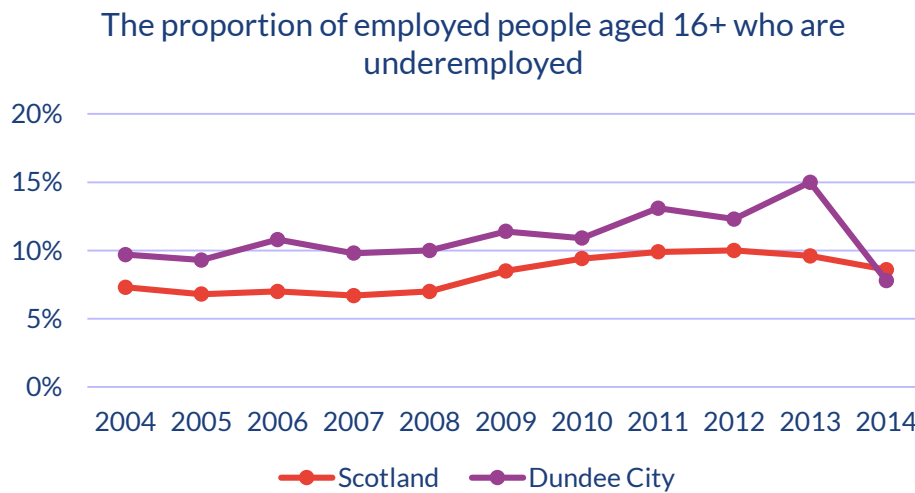


Figure 7: Underemployed people 16+ in Dundee and Scotland [Source: Local Area Labour Markets in Scotland – Statistics from the Annual Population Survey 2014, Scottish Government]

Average **earnings** in Dundee are lower than the Scottish average (**Figure 8**):

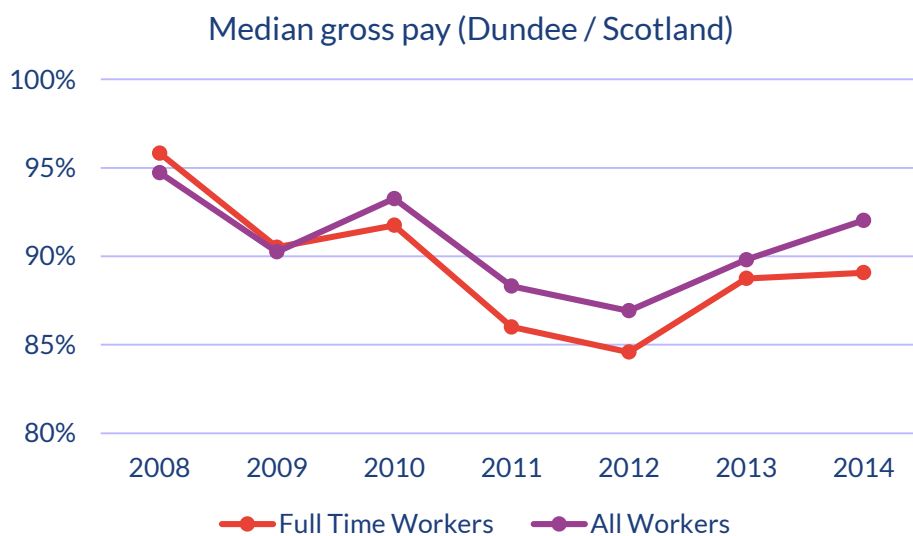


Figure 8: Median gross pay for Dundee residents still lags behind Scottish pay levels [Source: Annual Survey of Hours and Earnings – Resident Analysis]

Travel to work patterns in Dundee

Dundee City has a positive commuter balance, with 22,600 people travelling into Dundee City from other local authorities for work, and 8,700 residents travelling out to work in other areas. The table below shows Dundee's main areas for exchange of commuters.²⁴

	Inward commuters	Outward commuters	Net balance
Angus	11,400	2,900	8,500
Fife	5,100	1,400	3,700
Perth and Kinross	4,700	2,300	2,400
City of Edinburgh	280	250	30

The demand for labour

Summary

- The historic decline in overall jobs has recently been halted with a steady number of jobs over 2011-2013.
- There is still high dependency on public sector jobs in Dundee.
- In key growth sectors, growing numbers of enterprises have not resulted in growing numbers of jobs – this is linked to the new enterprises having very low staff numbers.
- Although there had been a slower business growth rate relative to Scotland, 2013 saw a large rise in the number of active enterprises in Dundee. However, business density per head of population remains lower than Scotland.
- Business survival rates have fallen slightly in recent years in Dundee and lag behind Scotland.
- Dundee has a higher proportion of its employment in public administration, education and health and in distribution, hotels and restaurants, but a lower proportion in the banking, finance and insurance sector. However, since 2007, the proportion employed in the banking, finance and insurance sector has grown in Dundee (Figure).
- UKCES 2013 data show significant jobs gaps across Scotland equating to 3.9 unemployed people for every job vacancy. In Tayside, this jobs gap is slightly higher at 4.5 unemployed people for every job vacancy.
- The largest skills gaps by occupation in Tayside, as identified by the Regional Skills Assessment, are for process and machine operatives (14% of all in employment have a skills gap) and caring, leisure and other service occupations (12% of all in employment have a skills gap). For both these occupational classifications, the skills gap in Tayside is around twice the national skills gap.

²⁴ 2011 Census data, accessed via <http://www.neighbourhood.statistics.gov.uk> data visualiser

- Although there is a jobs gap in Tayside and across Scotland, there is an additional challenge for getting people into employment, namely skills shortages preventing job vacancies from being filled. In Tayside, there are two employment types with a particularly high level of vacancies – machine operatives and skilled trades occupations. For both types of employment, over a quarter of the vacancies are deemed to be unfilled due to a skills shortage (Figure 10).

Main areas of employment in Dundee

The Dundee Partnership Economic Strategy and Action Plan 2013-17 makes a number of key observations about the “demand side” of employability in Dundee. We have updated and expanded upon these in [Figure](#) , and note some of the key updated observations:

- While there had been a falling number of jobs overall, the historic decline in overall jobs has recently been halted with a steady number of jobs over 2011-2013.
- There is still high dependency on public sector jobs in Dundee.
- In key growth sectors, growing numbers of enterprises have not resulted in growing numbers of jobs – this is linked to the new enterprises having very low staff numbers.
- Although there had been a slower business growth rate relative to Scotland, 2013 saw a large rise in the number of active enterprises in Dundee. However, business density per head of population remains lower than Scotland.
- Business survival rates have fallen slightly in recent years in Dundee and lag behind Scotland.










Key Observation (2011 data)	Indicator	2009	2010	2011	2012	2013	2014	Trend	Updated Observation (Latest Data)	Source
Falling number of jobs overall	Volume of jobs (employees)	75,600	73,300	72,000	71,400	71,800			Decline halted with steady number of jobs over 2011-2013.	[1]
High dependency on public sector	Proportion of employees in private sector	33.4%	35.4%	33.7%	33.2%	32.5%			Still high dependency on public sector, but reduc	[1]
Major sectors are health, retail, education and public administration, with manufacturing continuing to decline from a historically high base.	Volume of jobs (employees)								[Not updated - requires restricted BRES access]	[1]
Growing number of enterprises but falling employment in growth sectors. Tourism and financial and business services dominate growth sectors -	Number of enterprises		990	985	1030	1055	1145		Number of enterprises continuing to rise, but all of this due to rise of enterprises with zero employees or 1-49 employees. There are now fewer big employers (250+) in the growth sectors.	[2]
	Employment	15000	12700	11900	12100				Falling employment in growth sectors (including in the key tourism and financial & business services sectors)	[2]
High and increasing employment in knowledge-intensive industries	% of employee jobs in knowledge intensive industries	48.3%		49.4%					[Not updated - requires restricted BRES access]	[1]
Slower business growth rate relative to Scotland	Number of active enterprises	325	345	335	400	515			Large recent increase in the number of active enterprises	[3]
Low business density per head	Number of businesses per adult (16-64)	26.1	27.0	26.0	26.8	27.7			Number of businesses per 1000 adults remains below Scotland (36.7 in 2013)	[3];[4]
Low business start up rate per head, with no growth in this trend	Number of business births per head	2.67	2.83	2.71	3.23	4.14			Recent growth in the business start ups per 1000 adults, although still slightly below Scotland (4.9 in 2013)	[3];[4]
Modestly positive business churn rate (1.1%) but lower than Scotland	Business churn rate ((births-deaths)/stock)	0.2%	-0.8%	1.1%	0.9%	5.2%			Churn rate now higher than Scotland (4.1% in 2013)	[3]
Slightly lower business 3 year survival rate than Scotland	3 year survival rate			58.5%	53.8%	55.1%			Business survival rates fallen slightly and still below Scotland	[3]

Figure 30: Key “demand side” observations on Dundee [Source: [1] Business Register and Employment Survey; [2] Local Government Growth Sectors Database; [3] ONS Business Demography; [4] ONS Mid Year Population Estimates]

Figure shows the industries of employment in Dundee. Considering the three largest industry sectors, Dundee has a higher proportion of its employment in public administration, education and health and in distribution, hotels and restaurants, but a lower proportion in the banking, finance and insurance sector. However, since 2007, the proportion employed in the banking, finance and insurance sector has grown in Dundee.

Tayside overall has high employment in the food and drink, life sciences and tourism industries²⁵.

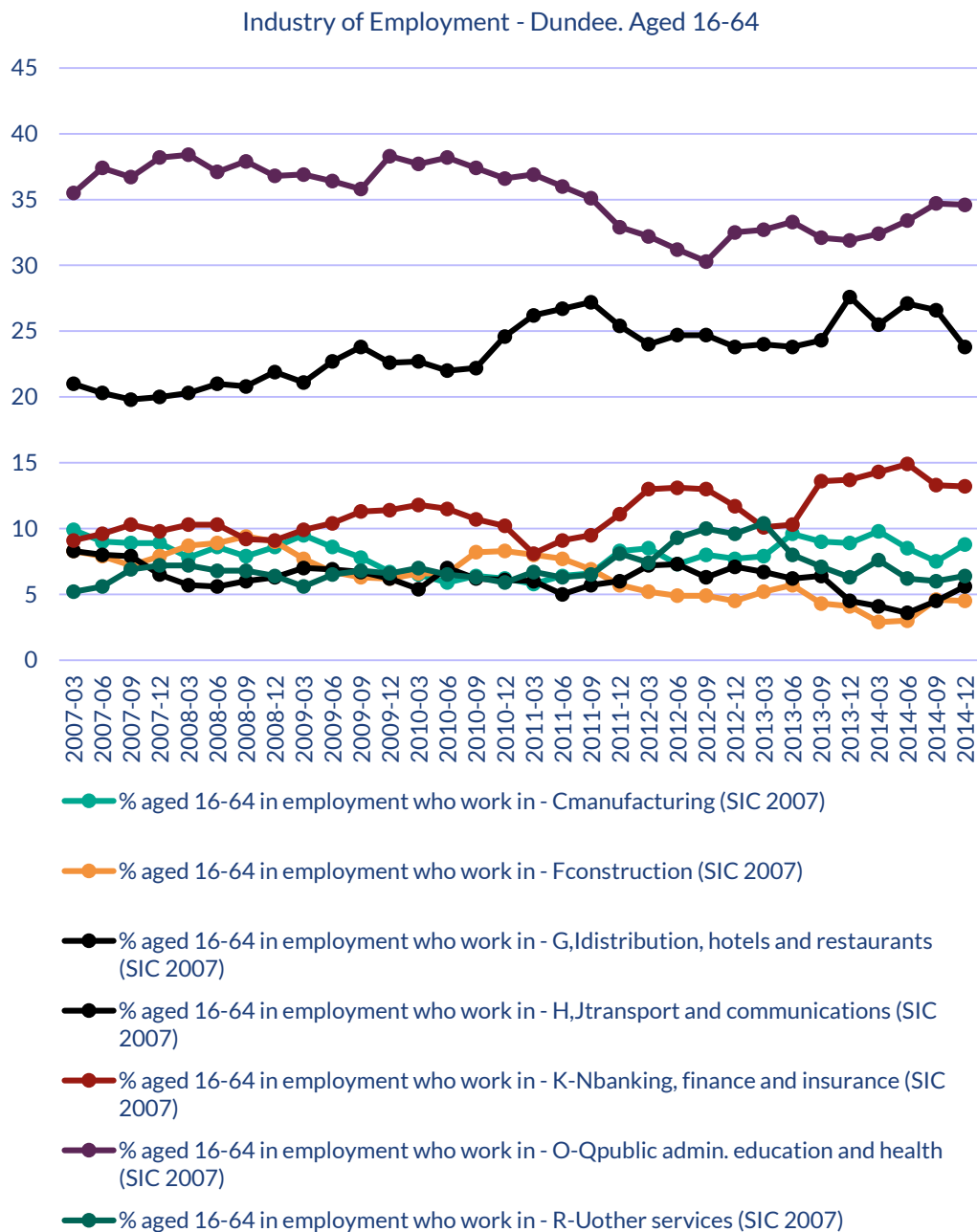


Figure 31: Industry of employment in Dundee [Source: Annual Population Survey, NOMIS]

25 Regional Skills Assessment for Tayside, Nov 2014

Jobs gaps

According to the latest UK Commission’s Employer Skills Survey (UKCESS 2013), there were 54,490 job vacancies across Scotland. Comparing this with the number of unemployed people from the July 2012 – June 2013 Annual Population survey, this equates to 3.9 unemployed people for every job vacancy, i.e. a jobs gap. In Tayside, this jobs gap is slightly higher at 4.5 unemployed people for every job vacancy.

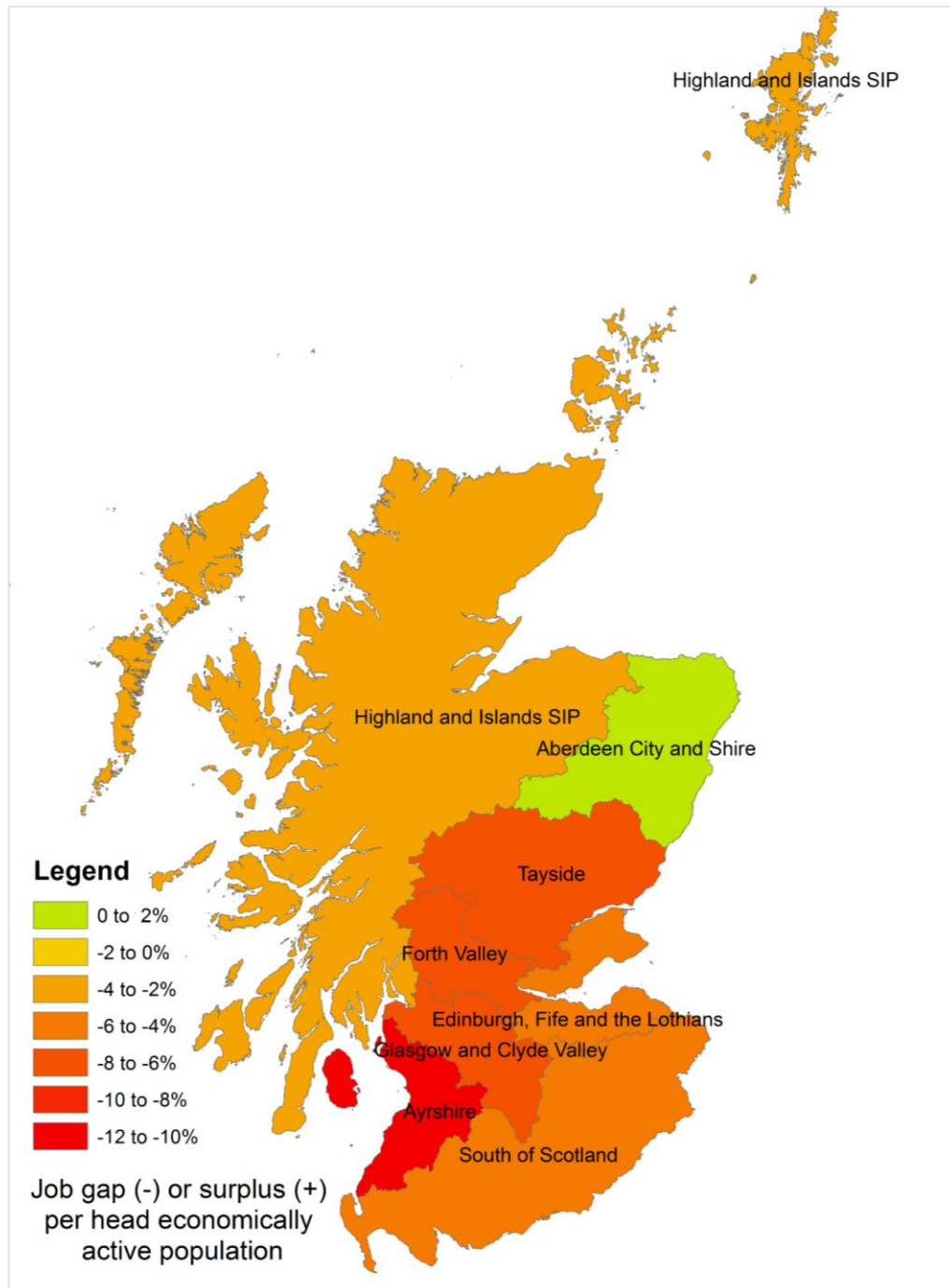


Figure 9: Jobs gaps across Scotland [Source: UKCES 2013 Employer Skills Survey]

Skills gaps in Dundee (people in employment)

Skills Development Scotland's 2014 Regional Skills Assessment found that 23% of establishments in Tayside had skills gaps, compared to 19% across Scotland. Tayside employers reported that new recruits including school leavers, college leavers and university graduates were generally well or very well prepared for work, although less well for work prepared than average for employers in Scotland.²⁶

The largest skills gaps by occupation in Tayside, as identified by the Regional Skills Assessment, are for process and machine operatives (14% of all in employment have a skills gap) and caring, leisure and other service occupations (12% of all in employment have a skills gap). For both these occupational classifications, the skills gap in Tayside is around twice the national skills gap.

Vacancies and skills shortages (unemployed people)

Although there is a jobs gap in Tayside and across Scotland, there is an additional challenge for getting people into employment, namely skills shortages preventing job vacancies from being filled.

The maps in **Figure 10** show vacancies and skills shortage vacancies for different types of employment. The horizontal axis shows the number of vacancies as a proportion of "optimal employment" (ie, vacancies + employment) – points further along the axis show employment sectors with a higher proportion of vacancies. The vertical axis shows the proportion of these vacancies that are deemed to be due to a skills shortage – points further along the axis show employment sectors that are facing issues with a lack of the required skills in the area.

In Tayside, there are two employment types with a particularly high level of vacancies – machine operatives and skilled trades occupations. For both types of employment, over a quarter of the vacancies are deemed to be unfilled due to a skills shortage. While half of the manager position vacancies are deemed to be due to skills shortages, these vacancies comprise a small proportion (less than 1%) of the optimal employment in this sector. There are notably fewer vacancies for "professionals" and "caring, leisure and other services staff" in Tayside compared to Scotland. It is interesting to note that in "caring, leisure and other services staff", there appears not to be a skills shortage, yet we showed above that this was one of the employment types with the highest skills *gaps* (ie of those in employment) in Tayside.

²⁶ Regional Skills Assessment for Tayside, Nov 2014, quoting UKCES Employer Skills Survey 2013

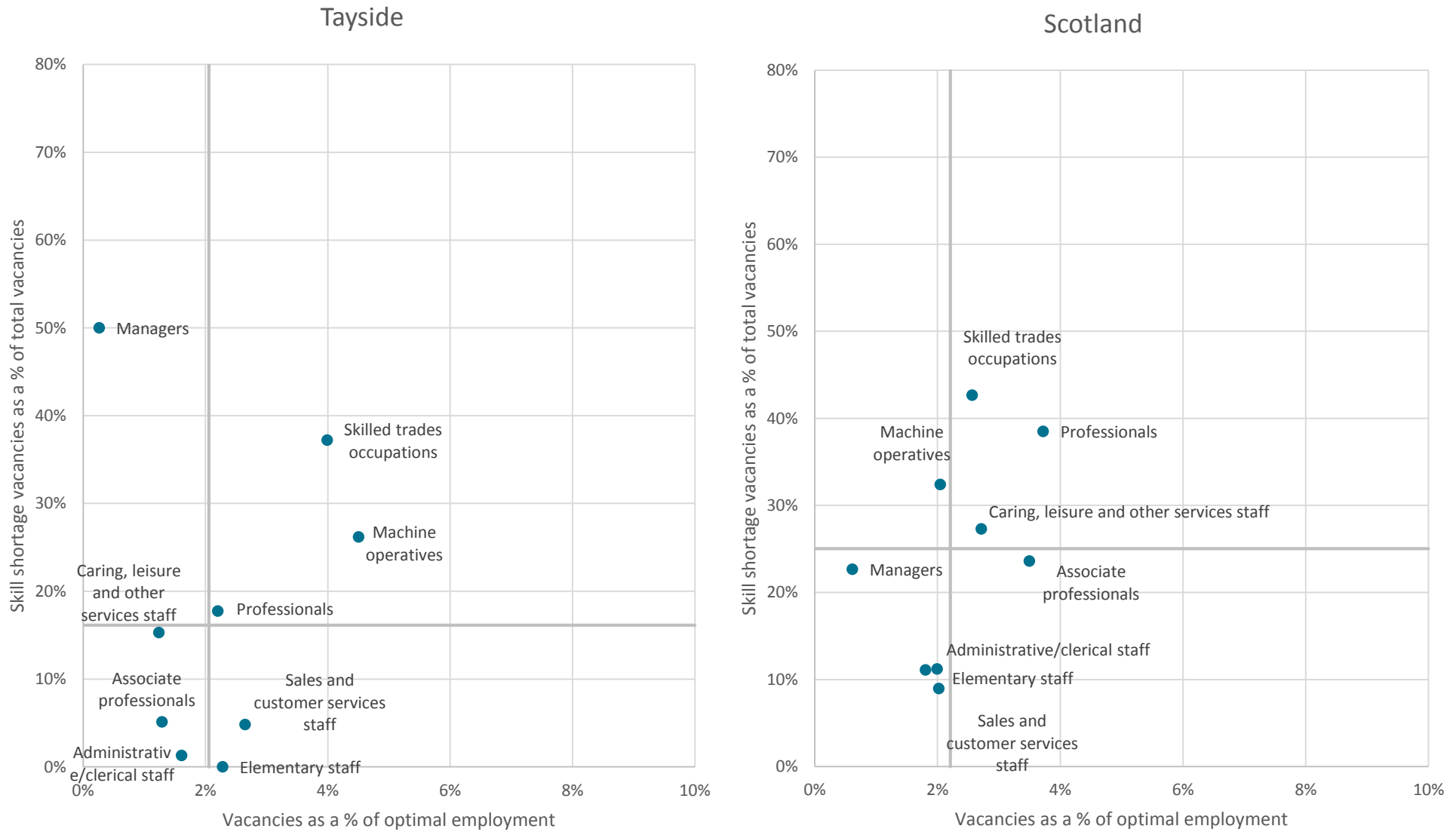


Figure 10: Vacancies and skills shortages in Tayside and Scotland [Source: UKCES 2013 Employer Skills Survey]

Appendix 2: Performance of the DCC/ESF pipeline in Dundee

Dundee City Council obtained European Structural Fund grants towards an integrated programme of employability provision along the Employability Pipeline, first in 2008 and again with a re-worked Pipeline model in 2013-14. The first Pipeline was funded as part of the first phase of the Dundee European Programme (DEP), using ESF and ERDF funds. The second Pipeline was funded under the DEP phase three. In this Appendix we set out an analysis of the main features and performance of these Pipelines.

2008-2014 Pipeline

Pipeline structure

The 2008+ Employability Pipeline Model consisted of three parallel eight-stage pipelines, targeting young people, people with health problems and unemployed adults respectively. The eight stages referred to in each pipeline were as follows:

- Stage 1: referral/engagement
- Stage 2: initial needs assessment
- Stage 3: specialist intervention
- Stage 4: employability training
- Stage 5: accredited training
- Stage 6: work placement
- Stage 7: job brokerage and job matching
- Stage 8: in-work aftercare

While all clients entered the pipeline through stages 1 and 2, thereafter clients could be referred through to any stage, including skipping stages, being referred “backwards” along the pathway, repeating stages or repeatedly re-entering the pathway, so that the maximum number of pipeline progressions recorded is higher than 7.

Pipeline services

The table below shows a summary of Pipeline 1 contracts offered to different providers, indicating which target groups and which pipeline stages were contracted to different providers.

Contractor name	# Contracts	Young people	Adults	People with a health problem	Pipeline Stage							
					1	2	3	4	5	6	7	8
Dundee College	18	y	a	h	x	x	x	x	x	x		
Working for Families	15	y	a	h	x	x	x		x			x
DEAP	13	y	a	h	x	x		x			x	x
CraigOwl	12	y	a	h	x	x	x	x	x	x		
Triage	11		a	h	x	x		x		x	x	x
Cyrenians	9	y	a	h	x	x	x					
Lennox Partnership	9	y	a	h				x			x	x
Springboard Scotland	9	y	a	h				x	x	x		
Claverhouse	8	y	a			x		x		x	x	x
Careers Scotland	7	y	a		x	x	x	x				
Employment Unit	7			h	x	x	x	x		x	x	x
E-Zone (self employment)	7	y	a	h	x	x	x				x	x
Adult Learning	6	y	a	h			x		x			
Breakthru	6		a	h	x	x	x					
Princes Trust	6	y			x	x	x	x	x	x		
Public Sector Academy	6	y	a	h					x	x		
Working Links	6	y	a	h							x	x
Young Carers Project	6	y			x	x	x	x	x			
Barnardo's	5	y						x	x	x	x	x
NHS Moving Forward Rehabilitation into Work	5			h	x	x	x	x		x		
Womens' Aid	5		a	h	x	x	x					
Xplore	5	y			x	x	x	x	x			
Apex	4		a		x	x	x					x
Braeview Academy	4	y			x	x		x	x			

Discover Opps. Health Practitioners	4			h	x	x	x					
Hillcrest Toolbox	4	y							x	x	x	x
Making Money Work	4		a	h			x					x
Support Employment	4		a					x	x	x	x	
Apex (ex-offenders)	3	y			x	x	x					
Compass	3	y	a	h	x							
Fairbridge	3	y			x	x	x					
One Parent Families Scotland	3		a		x	x	x					
Rathbone	3	y						x	x	x		
Sports Development	3	y	a						x	x		
The Shore	3	y							x	x		
Financial Inclusion Workers	2	y					x					x
Jobcentre Plus Disability Advisors	1			h	x							

Figure 11: Summary of Pipeline 1 contracts [Source: DCC]

Pipeline performance

Who did the pipeline reach?

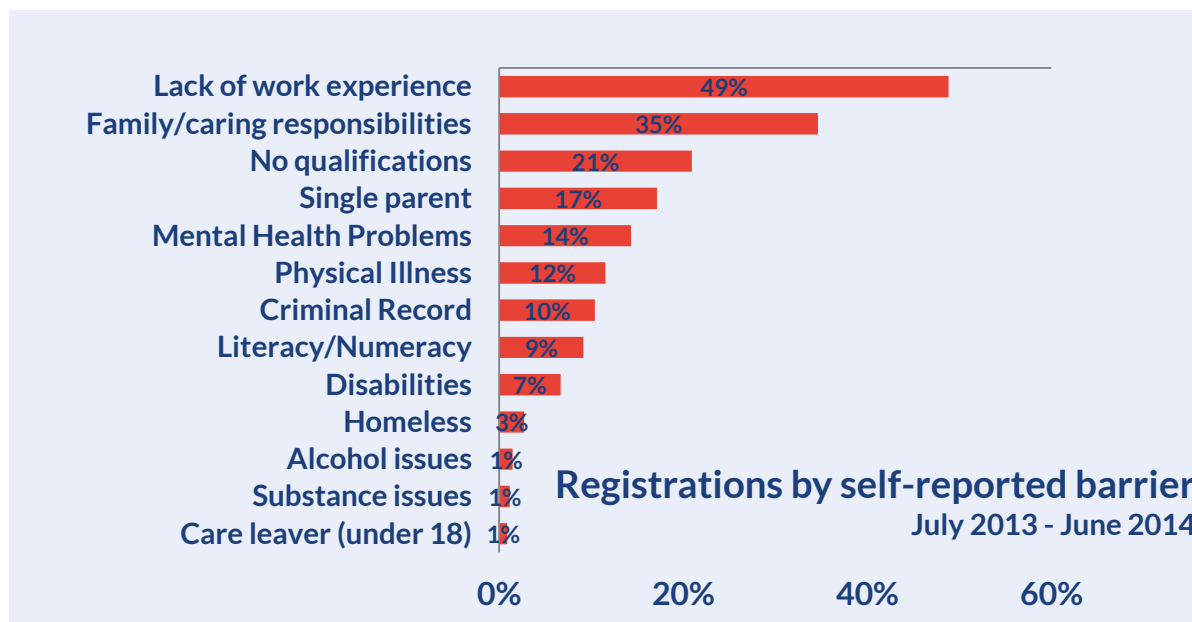


Figure 35: Pipeline 1 – frequency of self-reported barriers [Source: DCC, Pipeline 1 July 2013 to June 2014]

Outcomes by age and barrier- Pipeline 1, July 2013 to June 2014

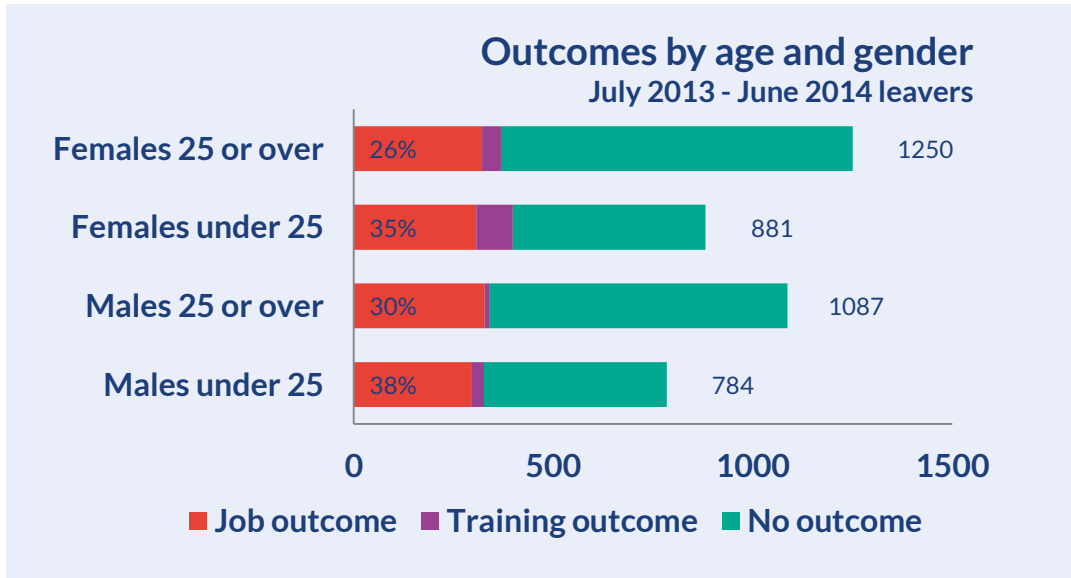


Figure 36: Pipeline 1 – outcomes by age and gender [Source: DCC, Pipeline 1 July 2013 to June 2014]

Outcomes by employment status- Pipeline 1, July 2013 to June 2014

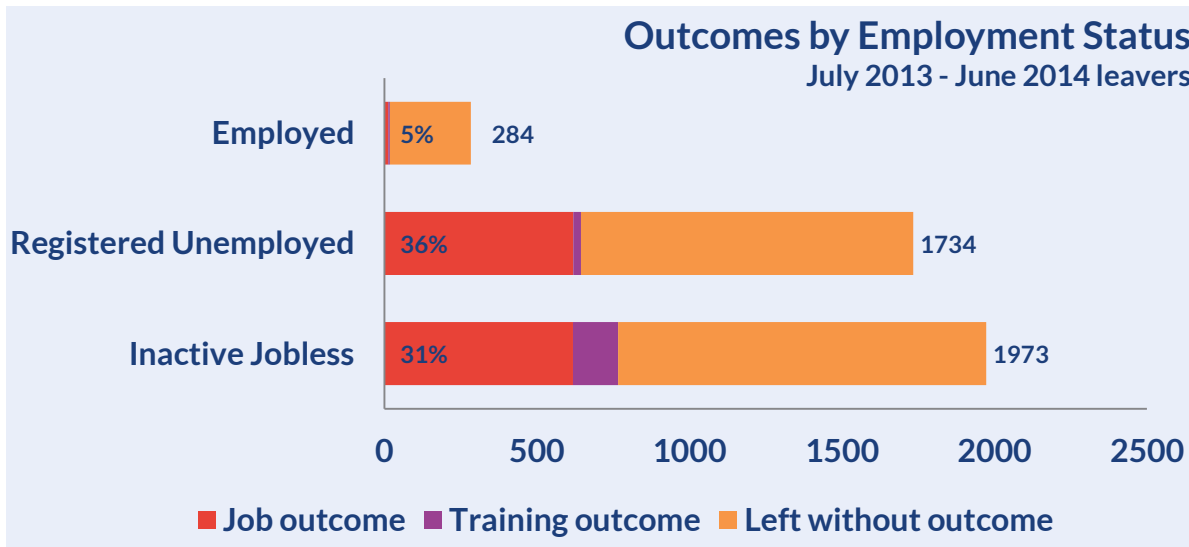


Figure 37: Pipeline 1 – outcomes by employment status [Source: DCC, Pipeline 1 July 2013 to June 2014]

Roughly half of all clients on Pipeline 1 were economically inactive and jobless (e.g. claiming ESA, Carers’ Allowance or isability benefits). Job outcome rates were slightly higher for Registered Unemployed clients (claiming JSA) while more Inactive Jobless clients achieved training outcomes.

Outcomes by Qualification- Pipeline 1, July 2013 to June 2014

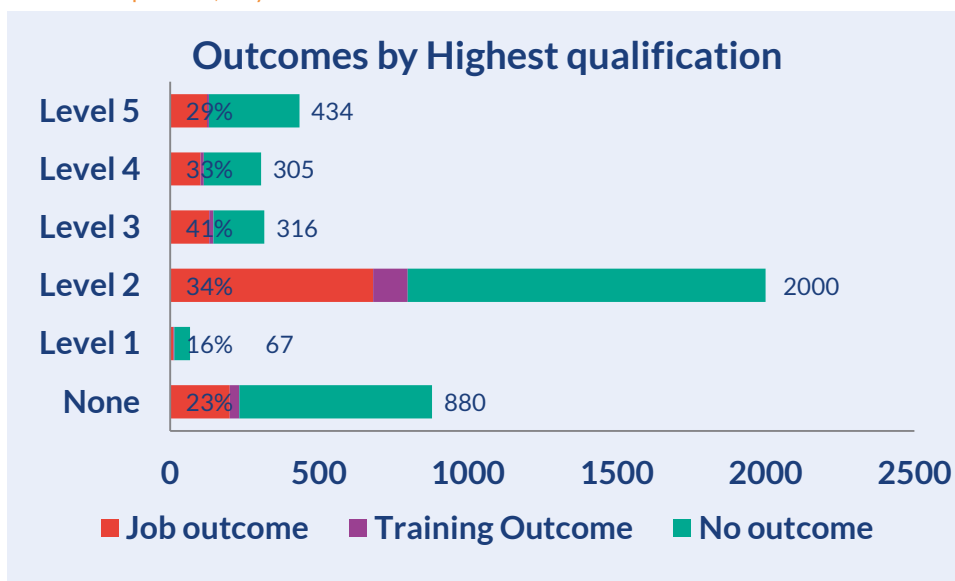


Figure 38: Pipeline 1 – outcomes by highest qualification [Source: DCC, Pipeline 1 July 2013 to June 2014]

Pipeline 1 had the highest rate of job outcomes for people whose highest qualification were level 3 qualifications- Highers or equivalent. The majority of registrations in 2013/14 (just over 50%) had qualifications equivalent to Standard Grade as their highest level of qualification attained.

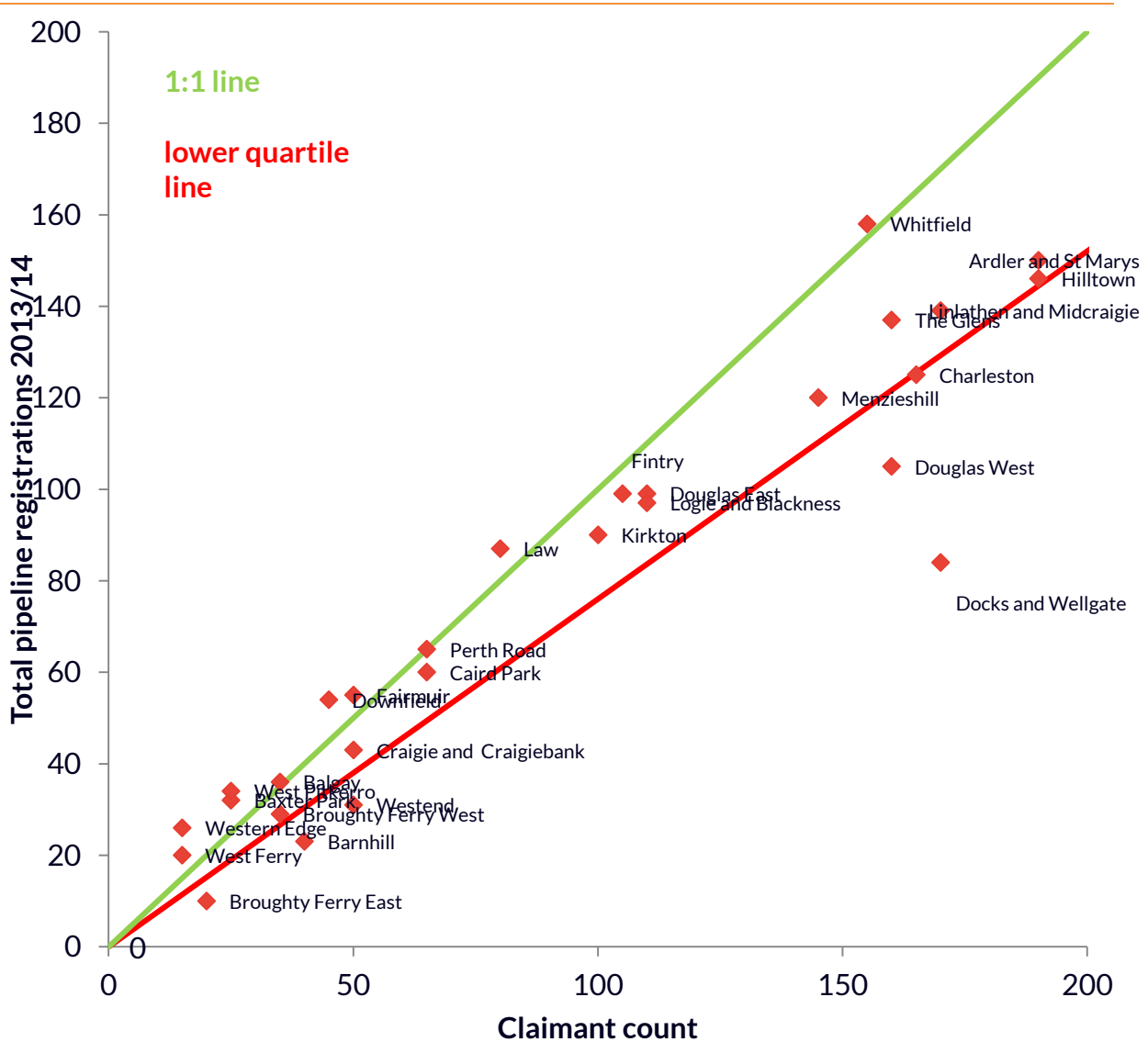


Figure 39: Pipeline 1 – geographical distribution of clients [Source: DCC, Pipeline 1 July 2013 to June 2014]

Figure 39 shows the extent to which Pipeline 1 employability provision was geographically matched to need. Intermediate zones below the red line (indicating the lower quartile rate of pipeline registrations per resident claimant). Two areas with relatively high claimant count stand out as under-served by Pipeline 1: Douglas West and Docks and Wellgate.

Areas above the green 1:1 line show where the total number of registrations in the area exceeds the number of people claiming out-of-work benefits in the area at the time, according to DWP statistics.

Geographical distribution of Pipeline 1 outcomes- Job outcomes by Intermediate Zone

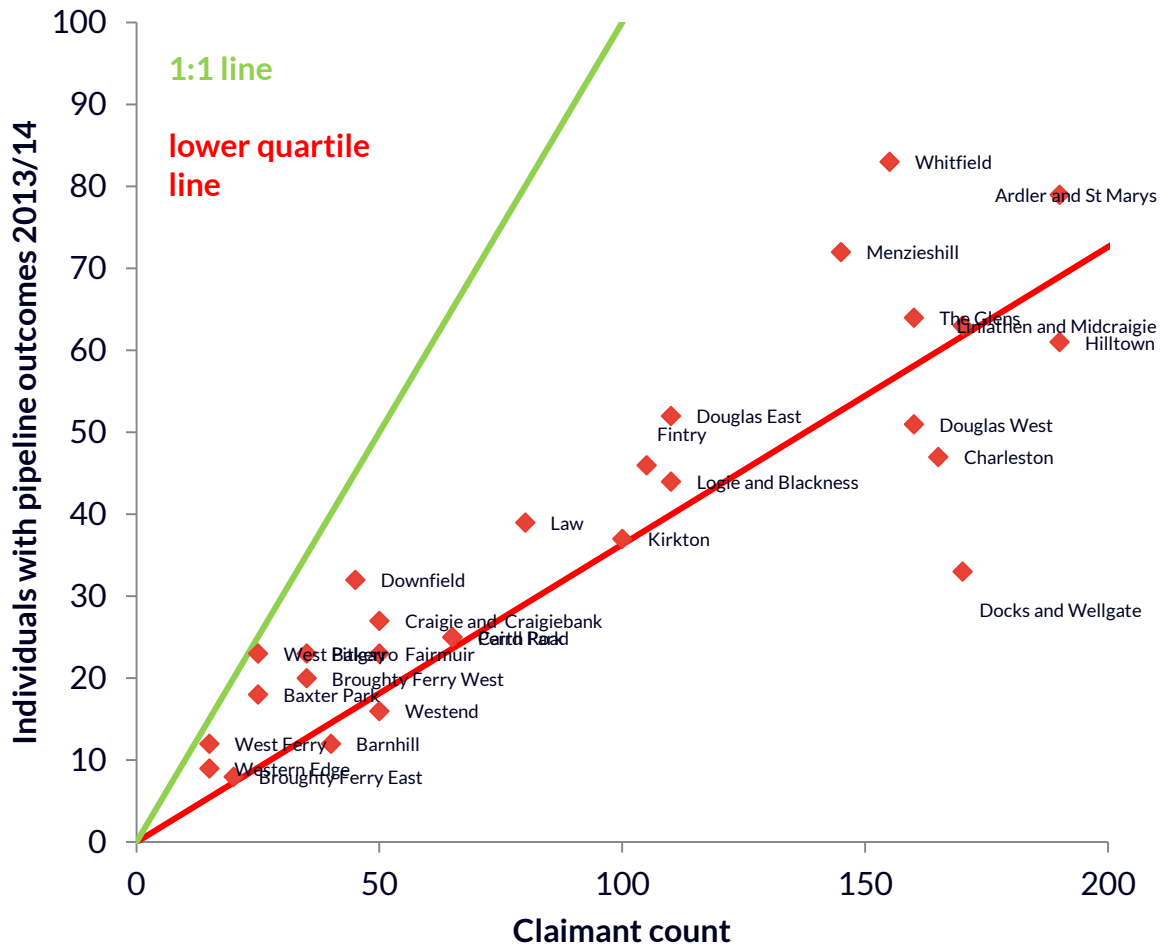


Figure 40: Pipeline 1 – job outcomes by geography [Source: DCC, Pipeline 1 July 2013 to June 2014]

Looking at the number of job outcomes achieved through Pipeline 1 activity per intermediate zone (Figure 40), performance in terms of outcomes per out-of-work benefit claimant also stand out as unusually low for Douglas West and Docks and Wellgate; this time Charleston joins them as an area with particularly low performance on job outcomes relative to the number of out-of-work benefit claimants.

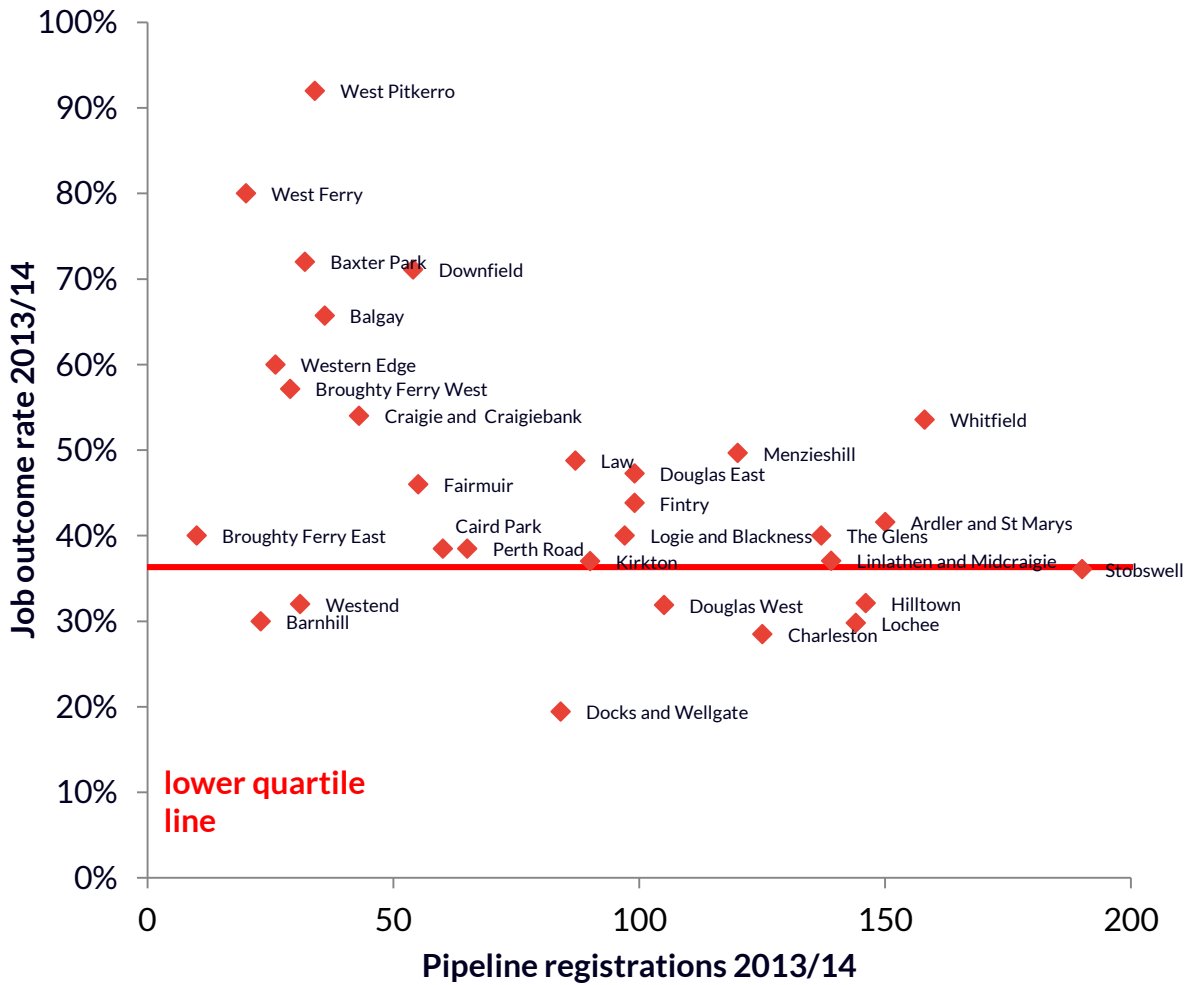


Figure 41: Pipeline 1 – job outcomes by geography as a proportion of registrations [Source: DCC, Pipeline 1 July 2013 to June 2014]

Figure 41 shows the geographic distribution of performance in terms of job outcomes, and highlights that areas with low numbers of registrations (such as West Pitkerro, West Ferry, Baxter Park, Downfield and Balgay) are able to produce very high job outcome rates. This is likely to reflect a combination of less stretched local resources, and less deprived areas. Again, Docks and Wellgate stands out as an area with an unusually low job outcome rate.

2014+ Pipeline

Pipeline structure

The second pipeline was commissioned from 2013 and came into operation in July 2014. This pipeline consists of a single five-stage pipeline, with stages as follows:

- Stage 1 Registration, Assessment, Case Management
- Stage 2 Overcoming Barriers
- Stage 3 Work Focussed Training
- Stage 4 Work Activity Stage
- Stage 5 Job sustainability and In-work development.

Some services at each stage are targeted at key groups such as young people, people with health conditions, or adults, while other services are generic. Services for different groups were not commissioned separately, and the three (overlapping) groups interact in the same pathway.

Focus of delivery

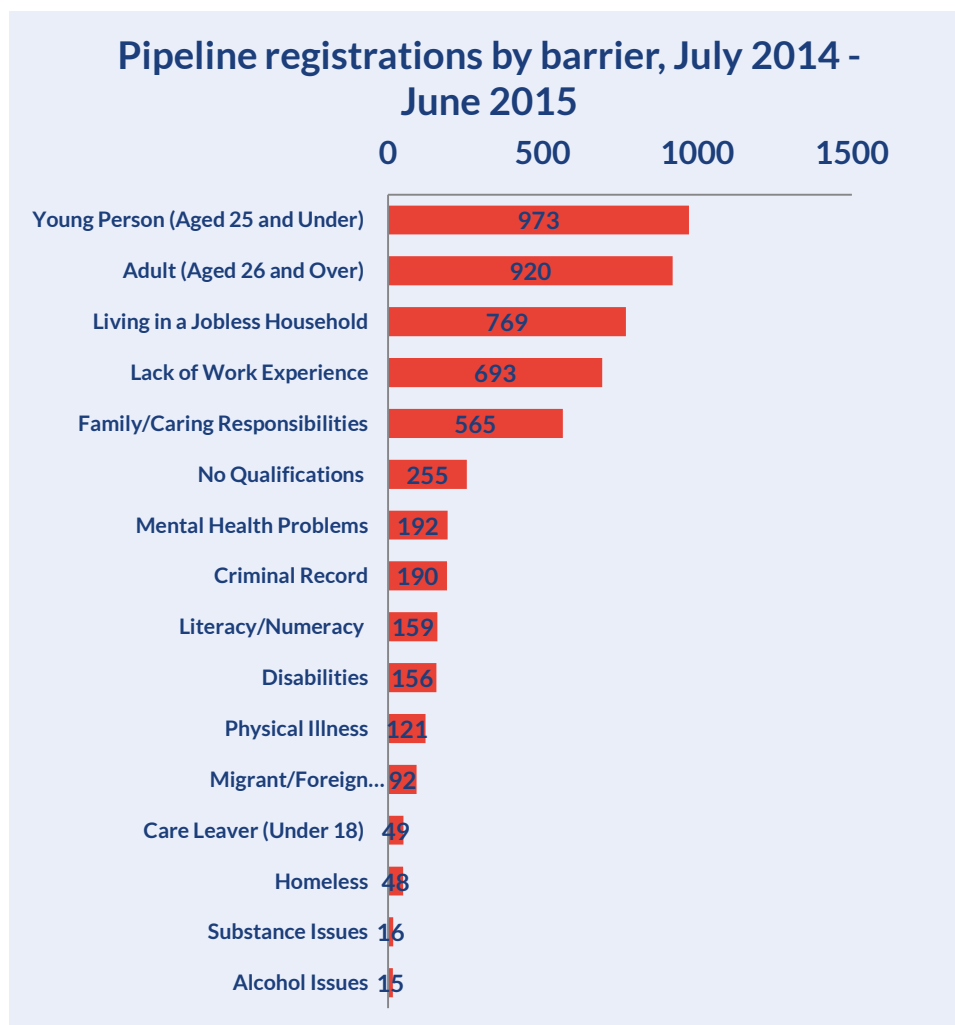
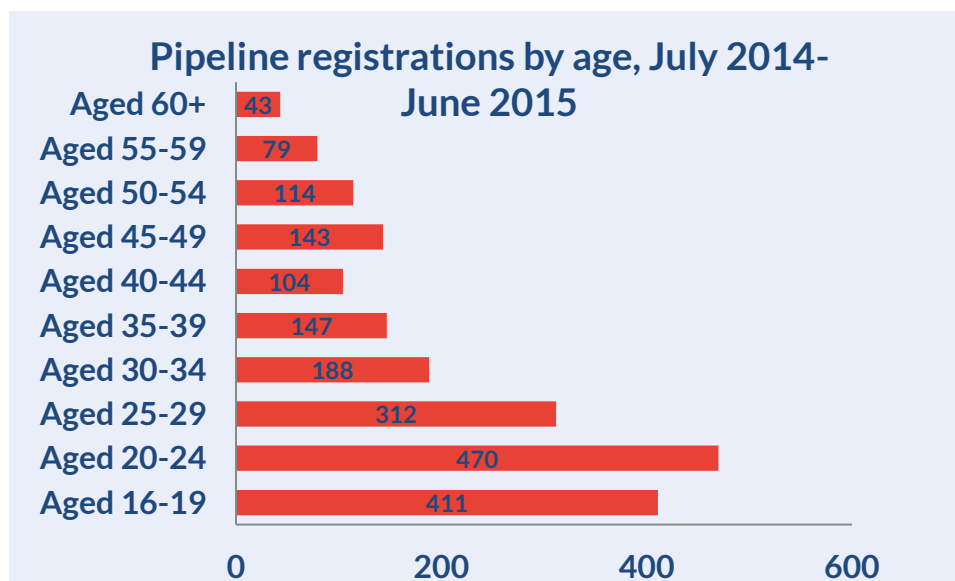
Pipeline services

Contractors – Pipeline 2

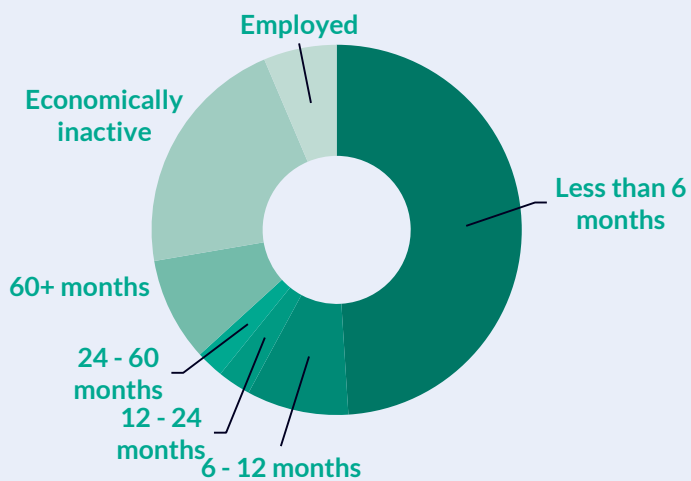
Contractor	Contracts	Pipeline Stage				
		1	2	3	4	5
Lifeskills	9			9		
Claverhouse	7	3		4		
Employment Support Service	5		2	1	2	
CraigOwl	4		1		1	2
The Shore	3		1	1	1	
Working for Families	3		3			
Youth Employability Team	2		1		1	
Community Learning and Development	2		1	1		
Welfare Rights	2		1			1
E-Zone (self employment)	1			1		
Venture Trust	1		1			

Pipeline performance

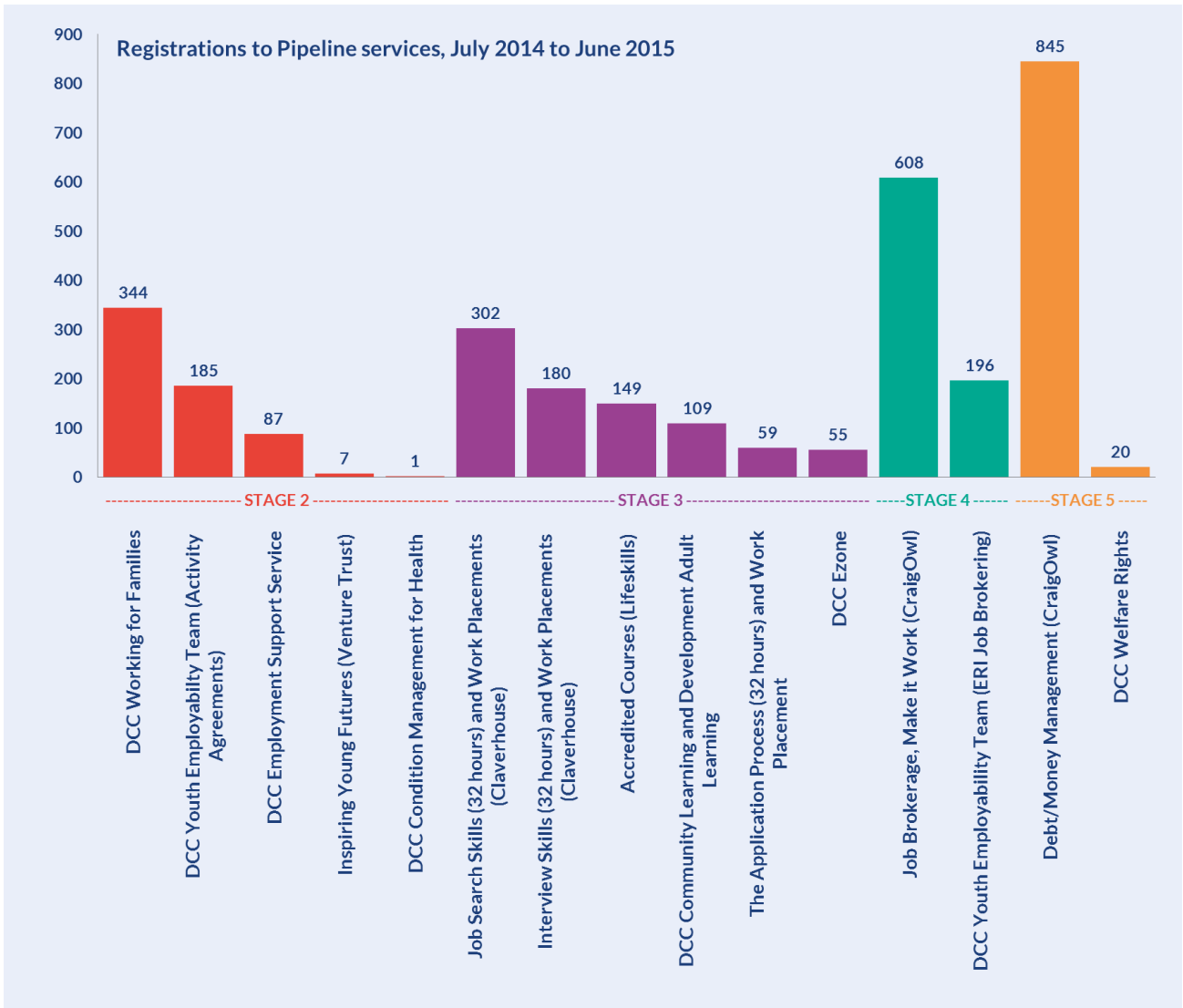
Who registered?



Duration of unemployment at registration July 2014 - June 2015 registrants

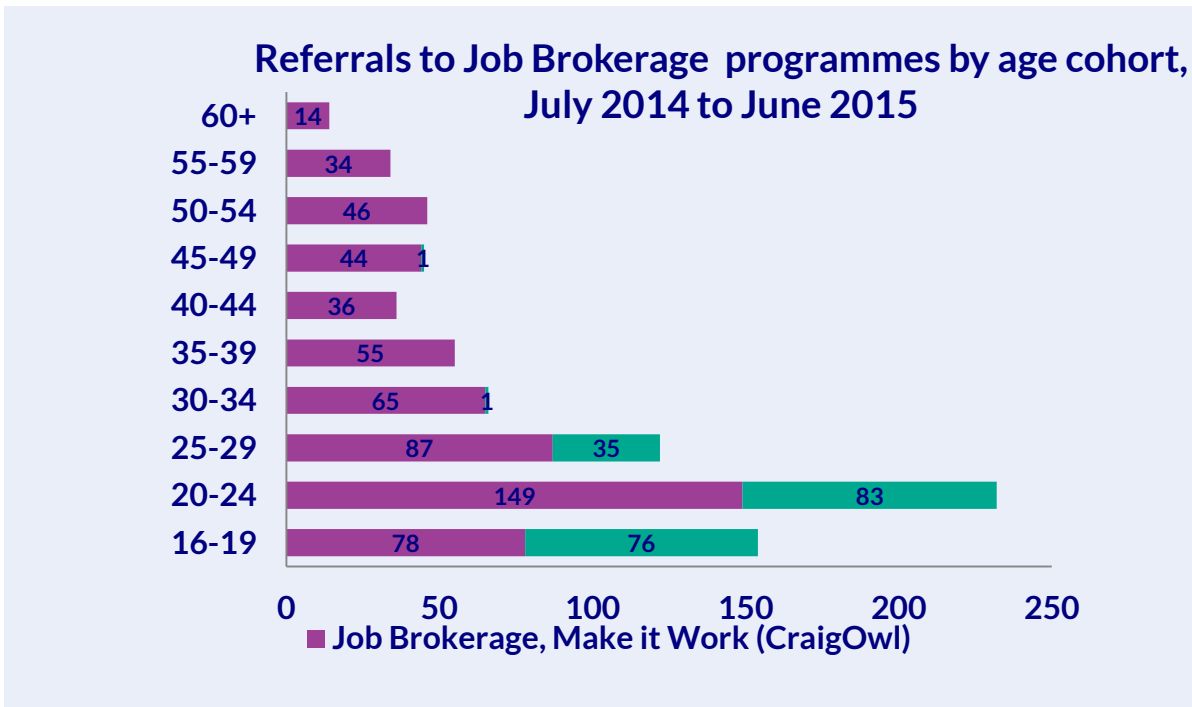


figures TBC

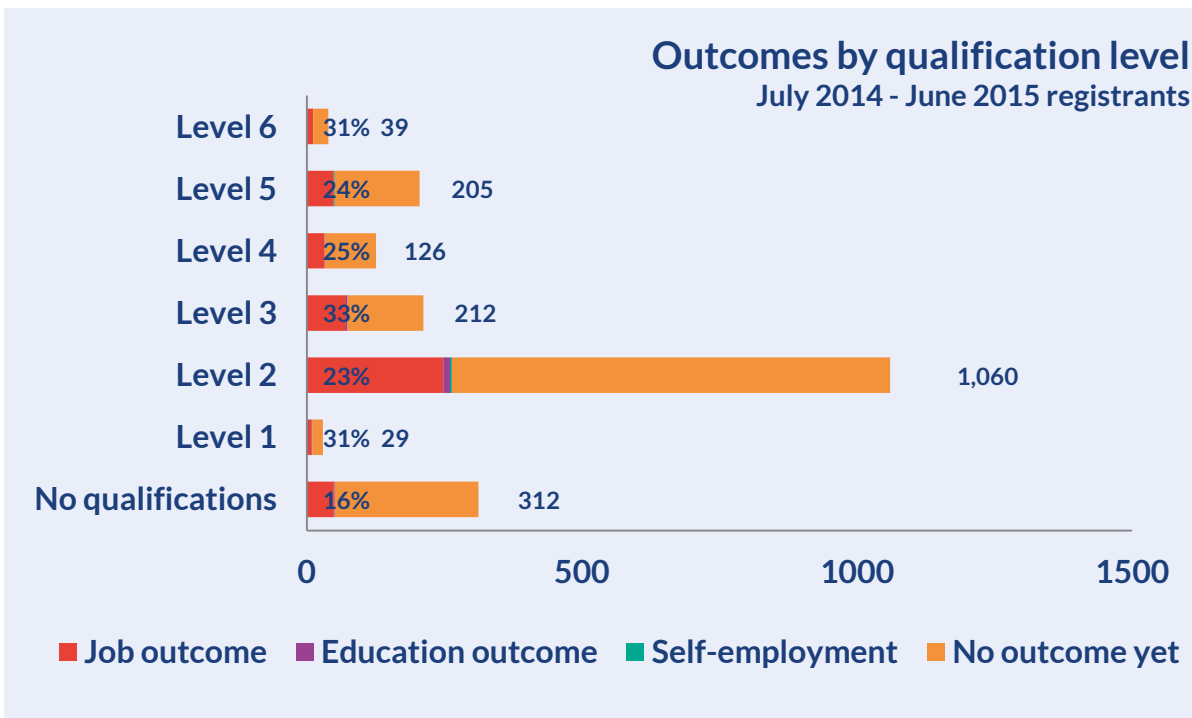


Who benefitted?

Pipeline performance data in terms of job outcomes are limited, due to a) the early stage of the second pipeline and b) some issues around the case management system, resulting in **suspected under-counting of outcomes.**



Registrations by level of qualification– Pipeline 2



Level 1: Access 1; Access 2

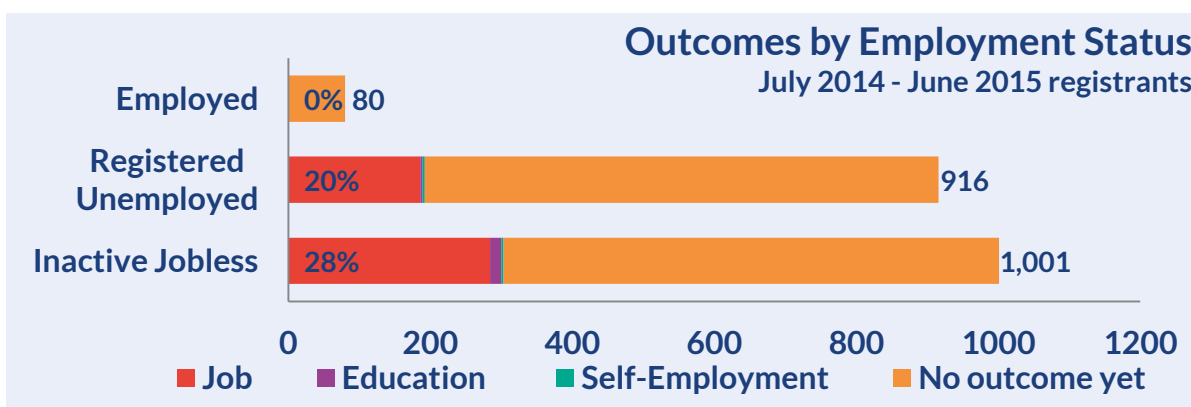
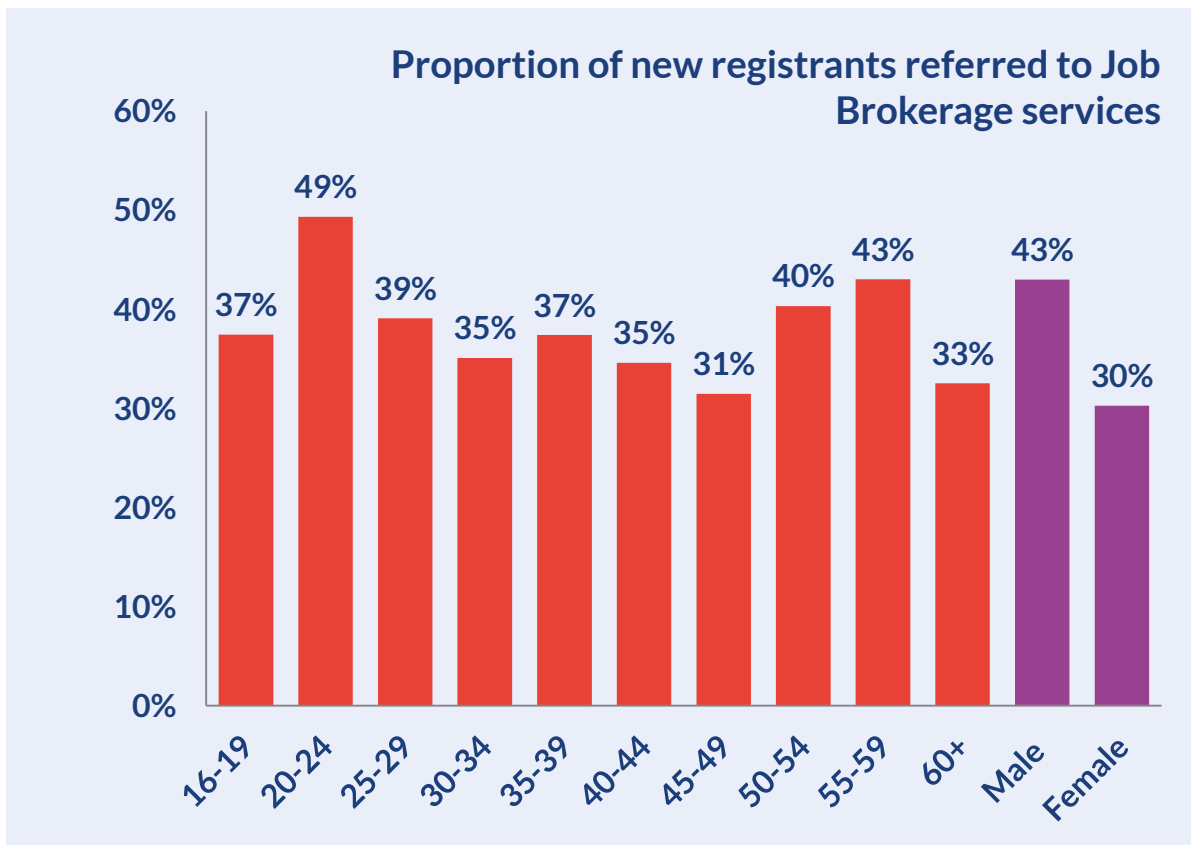
Level 2: Access 3; Foundation Standard Grade; Intermediate 1; General Standard Grade; Intermediate 2; Credit Standard Grade; SVQ Level 1 & 2.

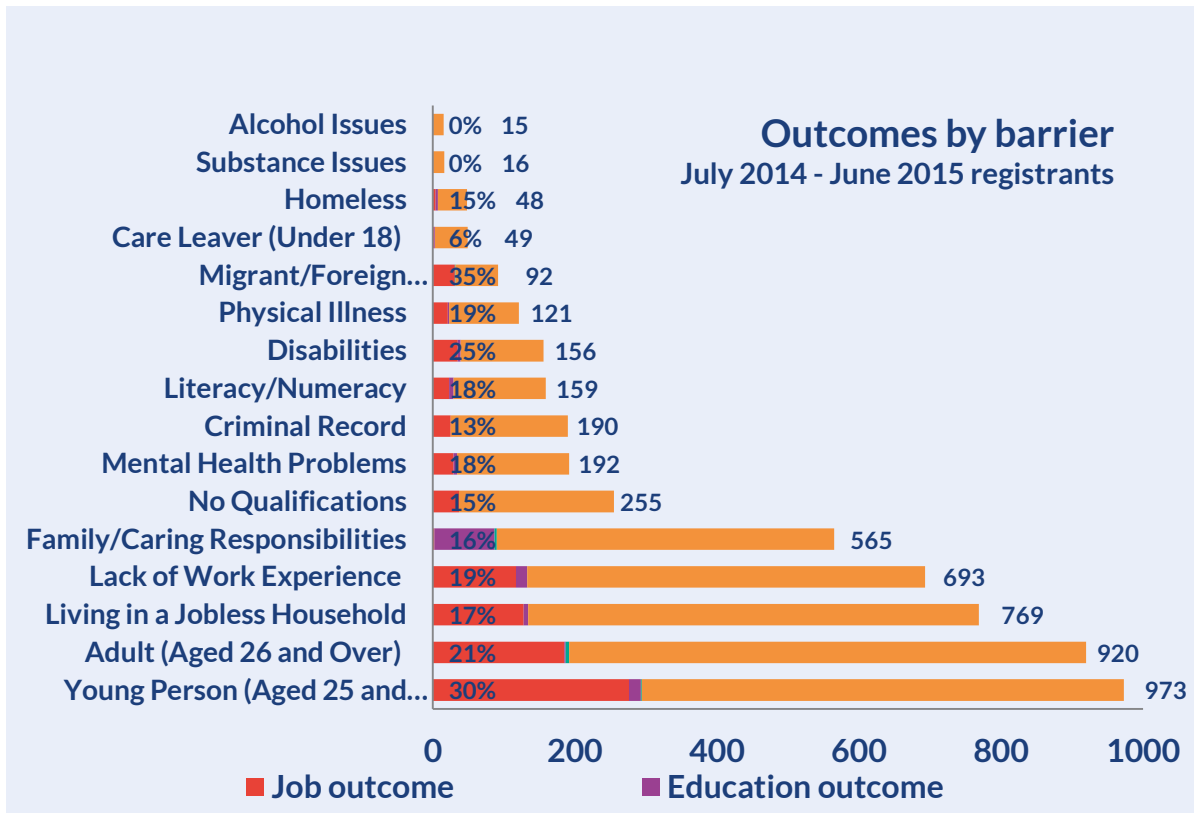
Level 3: Higher; SVQ Level 3.

Level 4: HNC; Advanced Higher; Certificate in Higher Education.

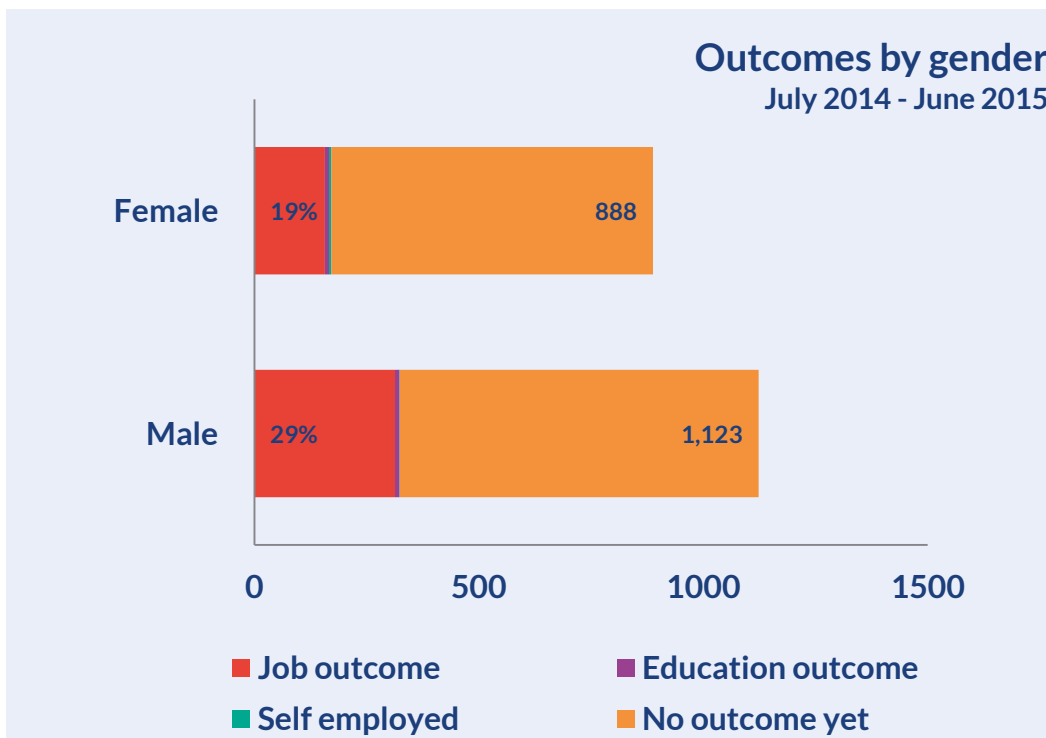
Level 5: HND; Diploma in Higher Education; SVQ Level 4; Ordinary/Honours Degree; Graduate Diploma/Certificate.

Level 6: Masters Degree; Doctorate.





In the final year of the first pipeline (July 2013 - June 2014), just under half (48%) of all clients with family or caring responsibilities were females over 25, and just under a third (31%) were males of any age.

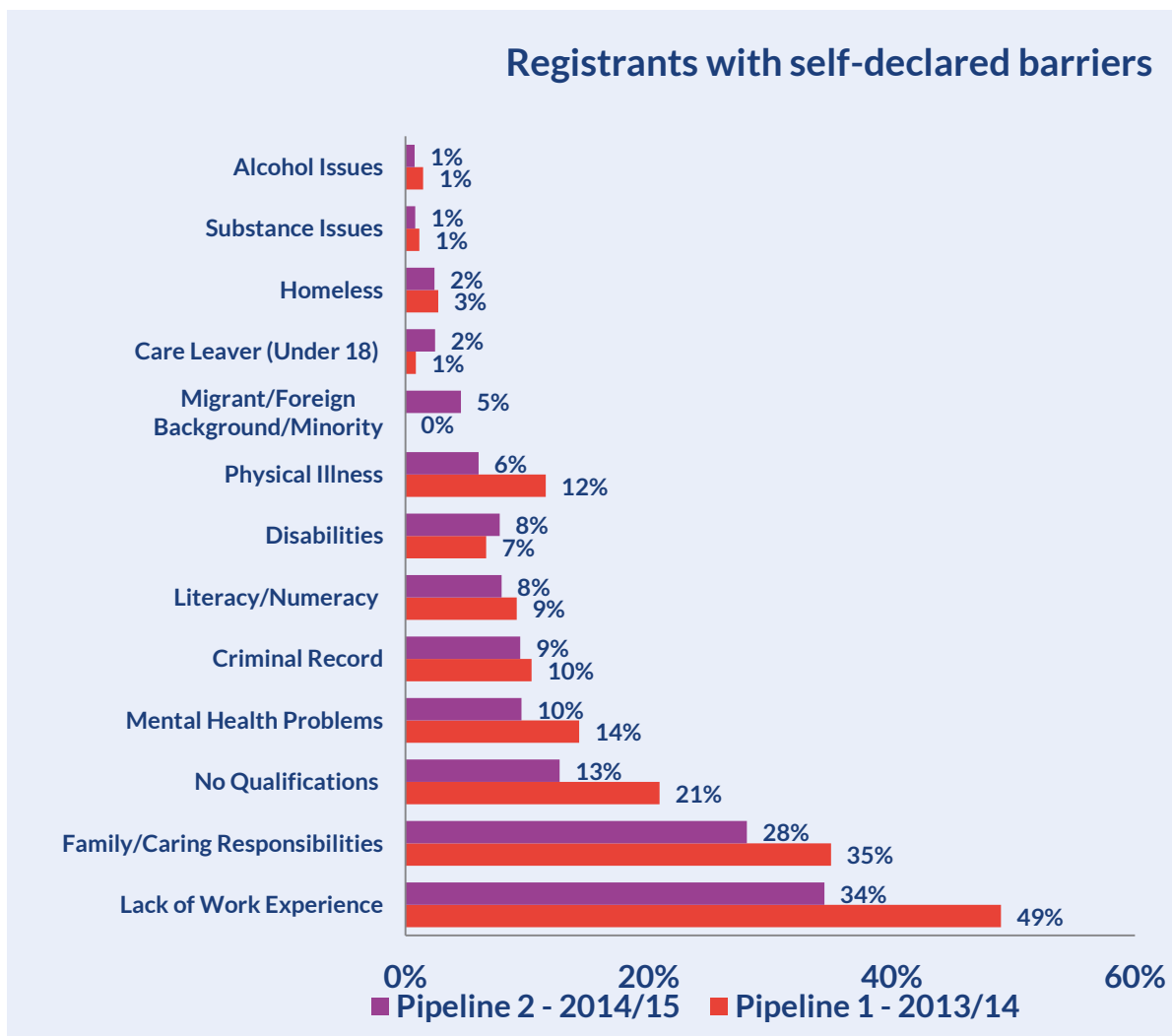


What changed?

In this section we compare the approach and focus of the two pipelines - deliberately avoiding direct comparisons of pipeline performance. The two pipelines differed in focus, structure and payment model.

- From grant funding to a stronger focus on payment by results
- Services offered: from holistic to job-focused
- Scope: from inclusive to targeted
- From a multi-player game to integrated contact management
- Many small contracts working across all pipeline stages to fewer, larger contracts.

Pipeline 1	STAGE 1 Referral/ Engagement	STAGE 2 Initial Needs Assessment	STAGE 3 Specialist Intervention	STAGE 4 Employability Training	STAGE 5 Accredited Training	STAGE 6 Work Placement	STAGE 7 Job brokerage & job matching	STAGE 8 In-Work Aftercare
# contracts	38	31	35	29	29	22	20	24
Pipeline 2	Stage 1 Registration, Assessment, Case Management		Stage 2 Overcoming Barriers		Stage 3 Work Focussed Training	Stage 4 Work Activity		Stage 5 Job sustainability & In-work development
# contracts	3		11		17	5		3



Why change?

Some of the substantial differences between the two pipelines were in reaction to aspects of the first pipeline approach that were felt to need improvement, while other differences were necessary changes to meet the ESF criteria.

More recent changes

- Claverhouse going into administration
- New ESF criteria as of July 2015.

Appendix 3: The cost of unemployment in Dundee

Unemployment in Dundee costs at least £117 million per annum, mostly funded by DWP. £8.8 million is spent annually on unemployment support services, more than half of which is funded by Dundee City Council and Skills Development Scotland.

Figure 12 outlines the total estimated cost of unemployment in Dundee. It includes benefit payments made by the Department of Work and Pensions, and the additional health service demand arising from unemployment. What is currently unknown is the cost of additional demand on council services, other than employment services, as a result of unemployment.

Most of the cost of unemployment is funded by DWP

Department for Work and Pensions	£104,968,183	89%
National Health Service	£12,578,000	11%
Local Authorities and Skills Development Scotland	unknown	n/a
Total expenditure per annum	£117,546,183	100%

Figure 12: Total annual cost of unemployment in Dundee [Source New Economy Manchester unit cost database, NOMIS Jobseeker's Allowance by age and duration Feb 2014 – Sept 2015, NOMIS ESA claimant count Feb 2014 to Feb 2015]

Figure 13 outlines the total estimated cost of employment services in Dundee. Local Authorities and Skills Development Scotland fund most of the £8.8 million spent per annum.

More than half of the employment support is funded by Dundee City Council and Skills Development Scotland

Department for Work and Pensions	£1,972,349	22%
Local Authorities and Skills Development Scotland	£5,017,679	57%
European Funding	£1,215,286	14%
Scottish Government	£486,684	6%
Big Lottery	£150,843	2%
Total expenditure per annum	£8,842,841	100%

Figure 13: Total annual cost of unemployment services in Dundee [Source: Cambridge Policy Consultants, LUPS ESF Programme 2007-13 Scottish Government]

Appendix 4: Interviews carried out

Name	Organisation
Peter Allan	Community Planning Manager
Kirsty Briggs	Lifeskills
Paul Clancy	DCC Head of Education (Secondary and SFL)
CLD Team	Part of our parallel prevention work but a lot of common issues which we have drawn on for this report
Greg Colgan	Head of Corporate Debt and Welfare Reform, DCC
Kirsty Craig	DWP/Jobcentre Plus
Lynn Cunningham and Wendy Forouhar	Craigowl
Karen Donaldson	Customer Engagement Manager, Dundee and Angus College
Gregor Hamilton	DCC, Head of Planning and Economic Development
Alison Henderson	Chamber of Commerce
Mike Galloway	Director of City Development, DCC
Michelle Gautier	DCC, Senior Policy Officer/European Funding Manager
Charles Goodall	Federation of Small Businesses, Dundee and Angus Branch
Karen Gunn	DCC, Youth Employability Manager
Jill Hunter	Area Manager, Skills Development Scotland
Ken Laing	Director of Environment, DCC
Christine Lowden	Acting Chief Executive, Dundee Voluntary Action
David Lynch	Chief officer for integrated health and social care partnership
Veronica Lynch	Director of External Relations, Dundee and Angus College
Gordon MacDougall	Head of Operations, North East Region, SDS
Kirsty Marr	Customer Service Operations Manager, Jobcentre Plus

Name	Organisation
David Martin	Chief Executive, DCC
Craig Mason	Welfare Rights Team
Allan Millar	Employability Manager, DCC
Stewart Murdoch	Director, Leisure and Communities, DCC
Paul de Paulette	Ingeus
Lucy Rennie	Strategy and Performance Manager, NHS Tayside
Janet Robertson	Head of Human Resources and Business Support, DCC
Bert Sandeman	DCC, Manager, Integrated Children's Services
Jaqui Spence	Modern Apprentice Coordinator, DCC
Marjory Stewart	Director of Corporate Services, DCC
Victoria Sutherland	TERU (about national review of Strategic Skills Pipeline)
Rachael Thomas	Public Sector Recruitment Approach Manager, DCC
Kiley West	Opportunities for All Manager, DCC

Appendix 5: Output from Dundee Partnership Forum

The new approach to employability in Dundee as set out in this Report was the focus of the Dundee Partnership Forum on 28th October 2015. The theme was ‘Creating a World Class Employability Service for Dundee’. In this Appendix we set out the main points and issues that were raised in the breakout group discussions.

What are the most important opportunities for improvement from you experience and perspective?

Ideas identified as most important included:

- We need to have a more *targeted* approach – not one size fits all
- We need to ensure that the different support services are *integrated* around the specific needs of individual clients and households – and communities
- Services need to be *tailored* to the needs of each client – and so need to be flexible enough to allow this to happen
- We need to identify better approaches to *client engagement approaches* and providing clear support pathways
- We believe we will enhance performance if clients are better incentivised with ‘*more carrot, less stick*’
- There should be a coherent partnership plan to *capitalise on employer engagement*
- *Public sector leadership of job creation* and budgeting to achieve this
- We need to *positively support people into work*. It’s not enough to say to them ‘get a job’. Some people have chaotic lifestyles
- We need to ensure that we are able to offer *pre-employment support* for those furthest from work
- *Simplify and co-ordinate employability contacts*
- More *focus on employer needs* and working to match this with our claimants.
- Ensuring that clients are *familiar with in-work etiquette*.
- Develop collaborative approaches that enhance partnership working for the benefit of clients and *remove competition between providers*
- Need some basic life-skills first and foremost, and having meaningful things to do. Employment is about more than earning money – it builds confidence, gains skills, fills days, makes relationships
- Early intervention and *preventative action*
- Be *responsive* to clients (individuals and employers)
- *Targeting* those that need the most help to find work.

Breakout session 2 : Imagine it is October 2020. What are the main features of the excellent service we have built for Dundee since 2015?

1 Who does it serve really well?

Everyone – service users, especially most disadvantaged, employers, service providers
 The whole community, as the positive benefits of people being in work have been widely felt
 City of Dundee – all are now equal, especially those who were disadvantaged; increased diversity, we are a Living Wage City

Employers, families, young people and long-term unemployed people, whole communities
 Half of disabled people are into work
 Employers
 The customers of the businesses as they get a great service
 The workforce – they are being developed and valued
 Good for young people going into good jobs
 Dundee – it has leapt to second place in the Quality of Life index
 Every individual in the city – serves the people who, in 2015, didn't think they would need a service but now do
 Children in the city – serves the City, Scotland and the world well
 Serves the people of 2030, 2040 and 2050
 Employers - because no skills gaps and they have a good workforce

2 What makes it so good?

a General

We make best use of technology and social media
 We have de-stigmatised poverty and benefits dependency
 Employability is something which employers accept is part of their offer if they are based in Dundee
 Ethos of employability in every organisation who comes into contact with every member of their community
 Shared goals to help citizens to improve health, financial circumstances, integrated opportunities – co-designed and co-located
 No longer a tale of two cities – everyone shares in the city's success; co-design with agencies, employers, community; co-located service hubs; community-based and person-centred; Dundee does not stigmatise the poor and the unemployed
 Makes a long-term sustainable difference to people's lives
 It raised aspirations and it offers jobs with real progression
 Some evidence developing to show inter-generational cycle of worklessness improving
 Flexible approach to creating confident, motivated people, who will self-direct and control their own lives
 The 'system' is fair, open and inclusive
 Trust and full confidence in the support available; good employment opportunities for people
 Population of Dundee and the Business Community focus on the communities with the highest levels of deprivation and poverty
 The population has an opportunity to share in the growing success of Dundee

b Client viewpoint

Better off financially
 Clients feel the service is for them regardless of their needs; may need to be layered, depending on needs
 Tailored to individual needs promptly
 Holistic approach
 Accessible services
 People are the focus, not organisations protecting themselves with small funding streams
 We are now listening and acting on their views
 We are all one service (not labelled separately)

We helped create it
 We've had wrap-around support
 Everyone tells us to go there
 Equality of opportunity
 Inclusion regardless of funding sources
 Impact on communities
 Trust the service
 Voice within the service, including evaluation
 People are getting and keeping jobs
 It promotes client aspirations (not just 'get a job')
 Integrated services – joined up well
 Takes culture into account – range of opportunities to give choice
 Don't feel like a statistic
 Proud to be part of the service
 Ambassador of the future
 In employment
 Earning
 Feel different
 Person-centred
 Motivated to participate
 Produces results
 Post-service support to sustain employment
 Opportunity for support to move up to career ladder
 Meets the needs of people not in the mainstream; communication; wider outcomes recognised
 A job – sustainable, positive outcome and it pays well
 I feel valued, I have a purpose, it is accessible, it is useful, I think it's valuable
 It is tailored to me, I got a job, it's voluntary and it's something I wanted to do, it motivated me, I knew about it
 No empty promises; well marketed
 Living wage; asked what we need; we're empowered; space for vulnerable to progress slowly
 Our co-located staff are 'off the leash'
 The incentives meet people's expectations
 Integrated, co-located, easy to access, one-stop point of contact, delivered where people need services at ward and community level
 Where are the customers in this process today?

c Service provider viewpoint

Clear about our unique contributions
 Collaboration, not competition
 Now clear understanding of what each other does
 Job satisfaction is high
 Networking is excellent
 Now using our own initiative – beyond pre-defined role)
 Part of design with clients
 Ownership
 We all know what everyone's doing
 We share data freely

Funding not solely based on job outcomes

Joined up, collaborative, no duplication, one point of contact. Holistic approach, utilize the resources in the best way

No over / under servicing, reduce bureaucracy, fair price paid, non-judgemental unbiased service, scope for development and innovation

It's an enjoyable experience; common processes help minimise bureaucracy; systems aren't getting in the way; collaborative and supportive; opportunity to combine through learning; routine to ask staff what works for them and continuously improve; inclusive of a wider range of services – including some that don't focus on employability e.g. libraries, health services; help given to people with addiction issues, leading to fewer with them, leading to better communities overall; agencies informed so that all know what else is out there; strong, collective leadership

Outcome based funding reflects the time, effort and expertise to support clients

Less competition and more collaboration

Longer term contracts

Responsive to needs

We are person-centred, streamlined, in the community

We think positively about careers and we help employers fill skill shortages

We offer proper, meaningful engagement with clients

Decent funding and resources to deliver the services

People are engaging

We trust the other providers

We have an ambition to be part of the Dundee Employability Service, and it's great

We deliver what the client and the employer need

Working together; not working in competition; flexible approach to support; not being driven by system but has positive outcomes; not having to chase funding; all being credited with results

d Employer viewpoint

Employers engaged in process

Know where to go to recruit

Been involved in design

Performance has improved

Continuous HR support once client is in work

Sustainability has improved

Got right people

Sense of working together to expand business

High satisfaction with strong feedback mechanisms

Right people, right place, right skills / attitudes, right time

Opportunity to say what works and what doesn't

Co-design of programmes

Employers are engaged, trust the services, getting people into work, people with work, believe they have a professional recruitment service, not having multiple approaches from organisations, skills match positive experience

Private sector enjoy being involved

Our academies are based on care and retail

Such a good source of recruits that some employers are willing to start paying for it as they would a recruitment agency

Good employers want good employees and vice versa – that's what makes it work

Access to skilled workforce
 Opportunity to grow workforce
 Training quality mark for staff to ensure skills of staff are enhanced
 Employers being part of the Network
 Trust in our employability service from employers
 It's easy, joined-up and responsive to employers needs
 After-care for employees
 Well trained staff and support in the City when needed
 Delivers skilled, trained, work-ready people
 It is responsive to changes in my business
 It listens to me
 Skills are matched
 Skilled workforce meets demand; they understand what's available to them (e.g. Modern Apprentices); able to shape training and learning; more informed on overseas qualifications; more responsible / active in 'supply' side; make use of practical opportunities to develop future workers; all signed up to the Living Wage; support people to remain in work; trust in skills of people coming out of the Pipeline

Breakout session 3 : What main changes would you / your organisation want to make in order to bring about this result?

The following notes provide (as best I can) holistic reports from individual table groups. The identity of the tables is not known; some tables used more than one note-taker, so it's not possible to be sure which tables said what. Clearly there were not 22 tables (A-V). But where possible, I have assembled the views of individual tables into a table report.

Table A

Long-term leadership commitment to funding
 Guaranteed funding
 Employability Service for people in work
 Move away from process driven to asset based approach
 Flexibility to run specific training for individuals
 Peer mentoring
 Better trust with partnership organisations
 Re-prioritise all Council staff into considering employability agenda
 Re-locate existing staff into joint working establishment
 Cross-organisational approach on staff and training
 Creating positivity focus on the progress
 Re-design of Work Programme

Table B

Better networking and knowledge

- Perception of other companies
- Depth of partnership – knowing people through face-to-face interaction

 Knowing the difference between leadership and management
 Created better links between children and adult services
 Seat for smaller organisations at the decision making table (not just TSI)

Taking work into communities – pop-up events; in schools etc
 Information sharing needs to be better (esp from DWP) – common systems
 Being clear on what we want to achieve

- Clear vision
- Clear priorities
- Clear priority areas
- Involve wider range of people in working groups
- Working Groups need to deliver tangible change – should involve service users
- Robust long-term funding plans are needed
- Everyone signing up to key priorities to enable joint, long-term funding to be organised
- Shared risk

Table C

Sharing information and encouraging people / organisations to share information in real time about people who are needing support
 Share information that we get from employers more widely – more collaborative work, sharing the outcomes and sharing the rewards
 Cultural change – just now it is a competitive environment regarding how funders commission services; could this be done to promote collaboration through how we fund providers
 Reward for the success of the Employability Service not just for individual performance
 What we would not do – silo working; competing
 Better knowledge and better future planning including information sharing
 Change the questions that we, as an organisation, ask of employers and share this
 Assessment processes – done to the best possible standards, sharing this across the service and use it to ensure that the client gets the best service
 More targeting of people that are most disadvantaged, need most help

Table D

College

Roll out more academies in collaboration with employers and stakeholders
 Need to report in more detail on core student activity in relation to employability
 Consider how we recruit for future employees to ensure we reach out to more vulnerable groups
 Continue to establish Finishing Schools, closely aligned to the pipeline into employment
 Continue to create Industry Advisory Boards where they don't currently exist to shape curriculum offer, co-design, and agree volumes

Table E

Not pushing everyone through the same process
 Pilot working with the same people over a protracted period
 Be allowed to fail
 Measure distance travelled
 Be allowed to take risks – failure is OK as long as lessons are learned

Table F

Get employability and non-employability workers working together to get client input into service design and engagement
 Longer term contracts to providers, so they can spend more time planning and not worry so much about funding
 Contractors not having the same outcomes to encourage collaboration
 Joint staff training (ref the point about good quality staff)
 Turn employability around – start with stage 4 (employers' needs) and work service back from that
 Co-location of all employability services
 Provide financial incentives to clients to engage, not just financial penalty for not engaging

Table G

How did we get there? Involved young people in design; good intelligent evaluation of meaningful success indicators
 How did we get there? Peer and business mentors; partnership working; flexible funding; funding for longer timescales to work with young people
 Co-location with partners in targeted communities of high unemployment
 Lose the labels – for service groups and for clients
 Neighbourhood focus – funding linked to the non cognitive skills which have biggest impact on life chances
 Funding to prevent mistrust of working with others – people will otherwise protect organisation, not prioritise people
 Time to develop trust with partners
 Customer-led focus groups; listen to them and if possible implement what they propose
 Shared budgets

Table H

2020 : Living Wage City; World Host City
 Measurement needs to be proportionate – less administration, but have shared outcomes
 Staff should know they are worth it – invest in staff health
 Zero tolerance of workforce negativity / poor values#
 More sharing of information and understanding that information is being used amongst employability partnership
 Locality-based integrated planning

Table I

Greater devolution of decision making to managers and staff
 Less focus on numerical outputs / processes and more on outcomes
 Agreed quality management system for employability services
 Lift restrictions
 Collaborate with other organisations and exploit their knowledge
 Build relationships with local employers
 Encourage the BME community to be pro-active

Table J

Investment in employers to support new employees to understand their concerns / barriers / needs
 Real focus and understanding of localized management information so we can have a truly demand-led service
 Shared portal for employers so they can understand the offer for their staff in Dundee – training and work experience
 Investment in joined-up working; development / up-skilling of staff; funding structures which innovate; meeting employers requirements; recognition when things aren't working; need a focus on prevention
 Data-sharing – currently too many systems, protocols, and not enough mutual understanding
 Earlier engagement with schools including primary schools
 Competition for referrals

Table K

Co-planning; co-finance; co-decision-making; co-location; co-commissioning; integrated services; create a central agency
 Tailored approaches; share knowledge; map existing provision / assess fitness for purpose; determining consistent quality success KPIs
 Volunteering where job doesn't exist
 Longer term planning and funding allocations
 Shared data system
 Stop doing : all agencies filling out same information; over-servicing; silo mentality; paying peanuts for services
 College : map existing offer for all curriculum areas e.g. hospitality; identify step-on / step-off points and relate to what sort of jobs could be done at each level of qualifications

Table L

Need leadership not competition at all levels
 Stop people hiding behind policy – get a 'can do' attitude
 Schools closer to the employability agenda
 Less bureaucracy; too much evidence, paperwork; need a balance; too much time justifying need to measure
 Front end skills and abilities of staff – need to be of the highest standard
 Person-centred approach
 Listen to people – build it around their needs
 Listen to front-line staff, and accept what they say
 People should know we value them because they are worth it

Table M

Partnership leaders to remove obstacles and demand or drive improvements
 Target services and support locally
 Public sector working together on HR / recruitment; and providing opportunities for young people and those furthest from jobs
 Plan on a regional basis – especially the travel-to-work area

A new funding model that provides sustainability and removes duplication
 Join up collective approaches across our big private sector employers
 Build on the DOC common front end to genuinely collaborate employability services
 Better bang for existing buck across public sector employment practice

Table N

To have a seat at the discussion / decision-making table so that the views and opinions of the BME client group are considered
 Be recognised as a genuine employability service provider with unique skills
 Take the work into the community – remove the barriers
 Systemic change – mandatory training on faith and cultural sensitivities
 Where we locate staff – multi-agency teams in communities
 Better access to information (incl DWP) so we can go out and find people
 Less reporting and more face-to-face work (just some common big measures for all)
 Services for adolescents – transition
 Peer support networks

Table O

Support and educate employers to understand their responsibility to help grow people who are in work for the first time
 Will need to develop a framework for work placements
 I will have a conversation with Dundee and Angus College to simulate real working situations for young people, leading them more easily towards and into the workplace

Table P

The Chamber co-ordinates a shared work placement project – not just one business with just one job seeker
 Review why the Lochee Model is or was working, and is supported by the community
 Regular (6 monthly) and deep (not just a select few businesses) collaboration with businesses
 Inspire citizens to feel that they want to input and shape services
 Listen to front-line staff in doing what works – job-shops in the community

Table Q

Increase the understanding of, and differences between leadership and management
 Extending leadership at all levels across all sectors
 Quotes from Sir Alex Ferguson – ‘management can make the possible happen; leadership can make the impossible happen’
 Organisational culture is a top priority across the Forum
 As a third sector organisation, reliant on short-term funding, the ability to implement long-term planning would be a significant change to improve the services we deliver, and would allow for more innovation
 As a partnership we are clear what success looks like, how we measure it, and there exists a collective will to achieve
 Much better understanding of demand, communicating this effectively to influence approaches

Increase our network knowledge of local provision; fewer superficial relationships
 Need better communication; more willingness to take risks and try new things; better development opportunities for front-line staff

Table R

More delivery in the community
 Regular secondment in and out of partners
 Shared professional qualifications at various levels

Table S

More focus on individuals – not just a number but a person, and better support for both staff and clients
 Sharing more skills and services with other providers; open events, talks on what we do and how we do it
 Providing your service and experience to other providers – a qualification in employability skills

Table T

Further development of collaborative working at local area level
 Focused on neighbourhoods in greatest need e.g. local learning partnerships
 The development of a more inclusive employability pipeline, bringing in a wider range of services
 Stronger focus on asset-based approaches around individual needs

Table U

Sharing and dispersing knowledge, experience, and understanding of sustainability – offer to every service provider
 Contact / support centre; bring in health professionals; involve clients in creating the better service we want
 Involve employers and clients in co-design of better service
 Understand funding streams and offer centre of expertise available to all
 Engage at level of 54 neighbourhoods, not just City
 As a City Partnership, focus on a few significant steps at a time
 Support workforce / providers / clients
 Build a data base of employers in Dundee
 Build awareness regarding diversity and its importance to local employers

Table V

Emphasis on co-production
 Better at sharing knowledge and understanding
 More active engagement with employers
 Much greater engagement with young people
 Improved understanding of partners
 Work out how to secure better and more consistent quality across the system
 Willy Roe 03 November 2015

