

Dundee City Council for Dundee Partnership

A Step Change in Improvement of Employability Outcomes in Dundee Project

Summary Report



ROCKET
SCIENCE

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This is a summary version of our 134 page Full Report which included an Executive Summary. This Report aims to provide a shorterd version which includes all the key points from our analysis and recommendations for action.

Since our Final Report was published, seven Working Groups drawn from a range of relevant agencies have been developing more detailed action plans for the way forward. This summary does not record the outcomes from these Working Groups but provides the main points from the background analysis.

1 Why is a new approach to employability important?

Summary

- 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 the numbers and experience of those seeking work and the numbers and types of jobs available. This may have implications for the job search area of young people – in other words, to find work which suits them they may have to move.
- 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 with the Scottish Government’s successor programme to Work Programme/Work Choice from 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 those seeking work and the needs of employers.
- The main issue for Dundee is about those on Employment and Support Allowance (ESA) rather than Jobseekers Allowance (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 other words, identifying those most at risk of becoming longer term unemployed, and providing additional support 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 all the investment and the different services 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 numbers 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 present 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 are should be tested.

Detail

- 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**. Over the past year there has been a considerable fall in the unemployment rate in Dundee but the gap between Dundee City and Scotland has grown over the last three years. The annual population survey Jan 2014-Dec 2014 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 with 23% in Scotland.
- 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**.
- 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.
- 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), with 765 flowing off the register. In other words, about one-fifth of the total of those on JSA flow on and off each month.
- **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.
- In the Dundee City Council area in 2013/14 there were 1330 school leavers. 37% of these went to Further Education, compared to the figure of 26% across the rest of Scotland. On the whole the areas where jobs are hardest to find have the highest proportion of pupils going on to FE and these figures are a reflection of the lack of jobs for young people. It 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.



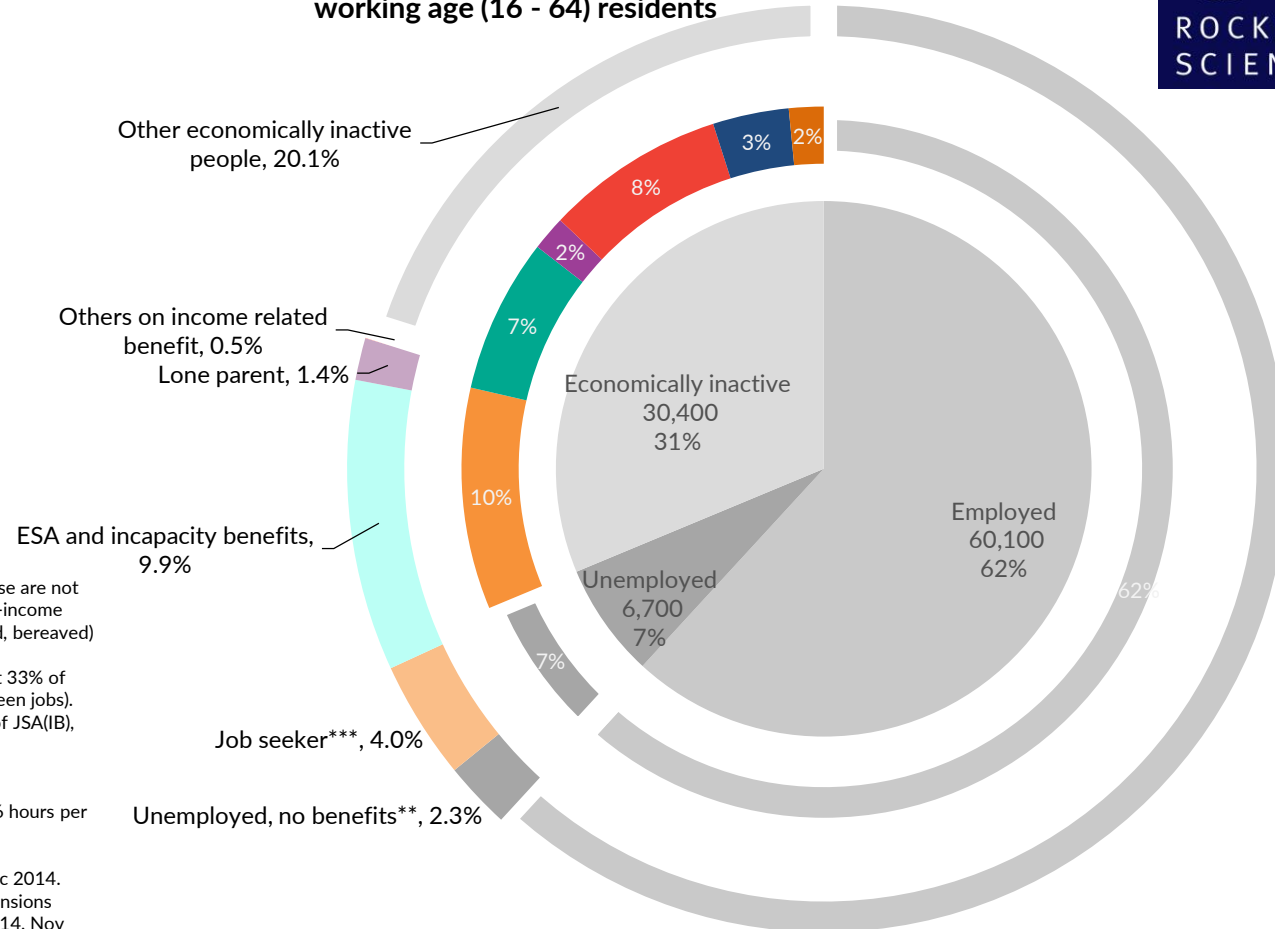
Dundee City

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.

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

- 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).
- The longer term *pattern of employment change* is presented in Figure 2. There are three notable features of this Figure:
 - 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 onto Incapacity Benefit (IB) and a range of anecdotes suggest that some of these people have remained on IB ever since. The 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.

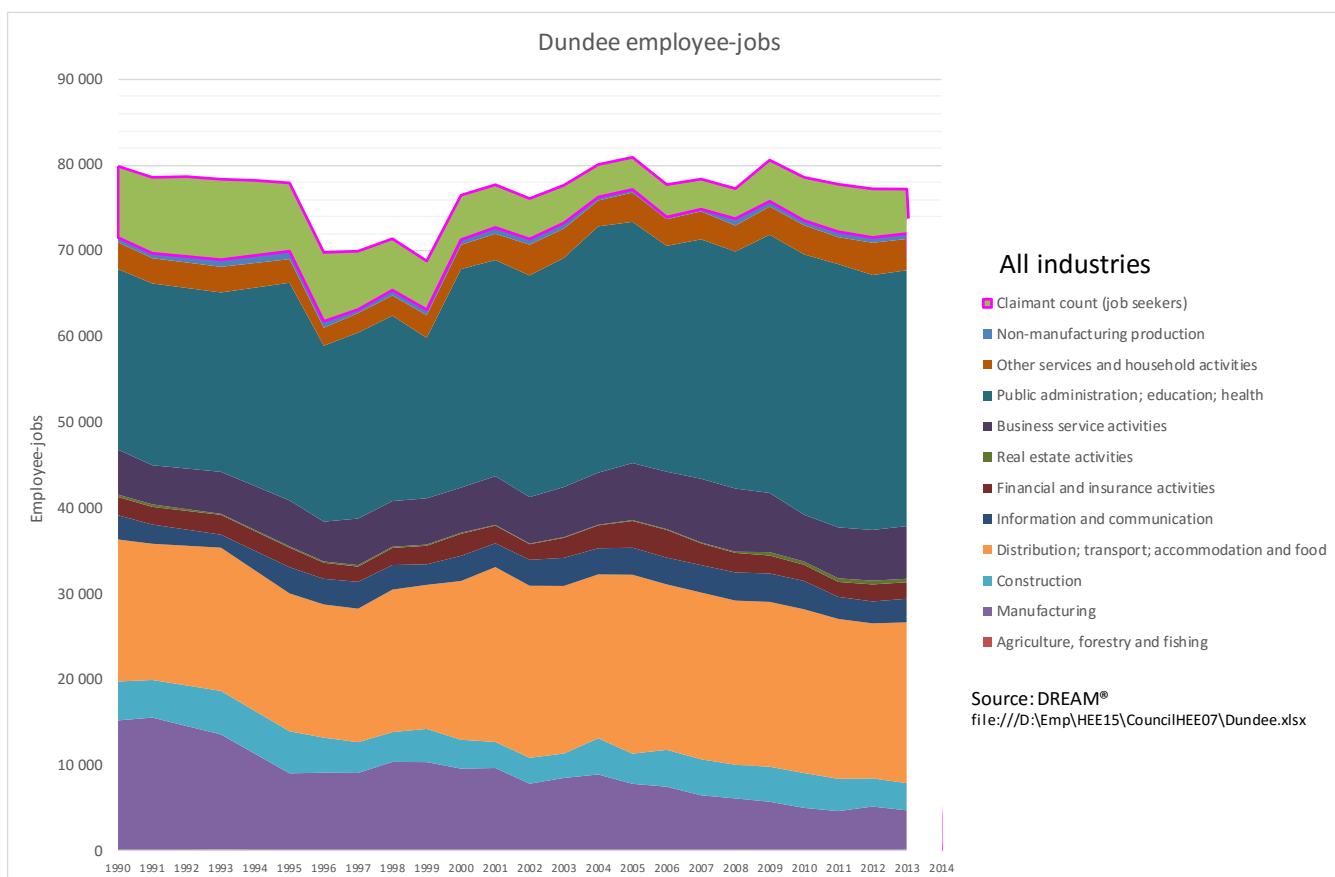


Figure 2: Dundee employment trends 1990 – 2014 by sector [Source: Cogentsi, DREAM model]

- Skills Development Scotland’s 2014 Regional Skills Assessment found that 23% of establishments in Tayside had skills gaps, compared with 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.¹
- 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.

¹ Regional Skills Assessment for Tayside, Nov 2014, quoting UKCES Employer Skills Survey 2013

2 The policy context for action in Dundee

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. 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 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.
- The development of the **Scottish Government's proposed 'Scottish Approach'** and the design of a successor programme to Work Programme and Work Choice using devolved DWP funding. 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'.

- The shape of the proposed successor programme (replacing Work Programme and Work Choice) is now emerging and it is likely to have the follow features:
 - It will focus on those further from work – longer term unemployed people (eg more than 2 years unemployed) and those facing health conditions.
 - This means that there will be a much greater need for the service to be integrated locally with mainstream and specialist services, compared with Work Programme which in practice operated as a parallel and independent employability service. This will have a number of important practical implications:
 - The need to develop agreed approaches to the assessment of client needs and the 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 they start work – 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.
- The DWP are developing 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.
- 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.
- 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.

The 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 incorporate 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.

3 The main features of the proposed approach

We have identified six 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 employability 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.

4 The areas for action

These are the actions that we have recommended:

- ***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***.

5 Developing a ‘whole service’ approach

Working with the staff of local partners we have developed the design of a ‘Dundee Employability Service’ (Figure 3 on page 15). 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.

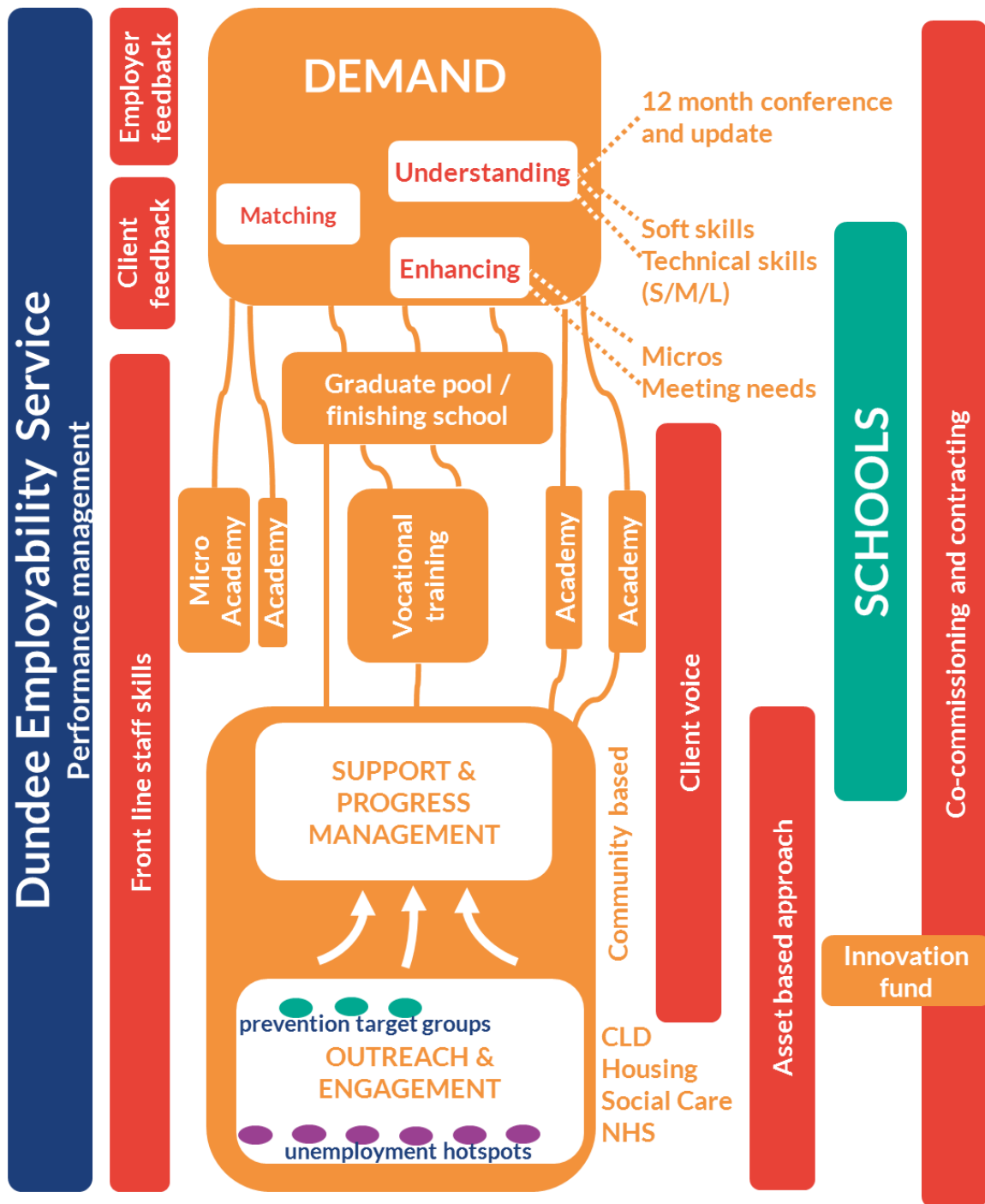
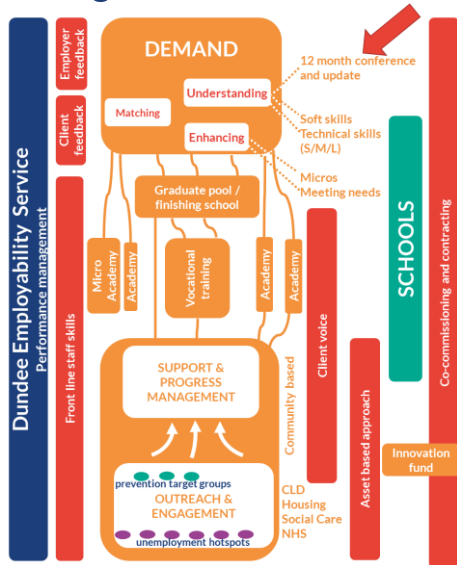


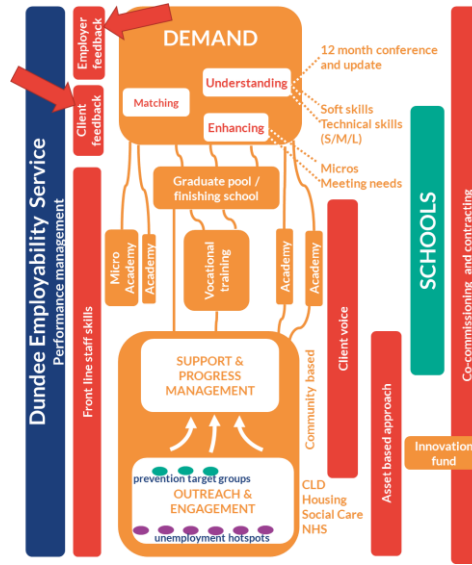
Figure 3: The proposed design of the 'Dundee Employability Service'

In the following pages we describe the areas for action. Each of the sections is prefaced by a version of Figure 3 with the area for intervention signalled by a red arrow.

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



Action 2: Ensuring the quality of the whole service

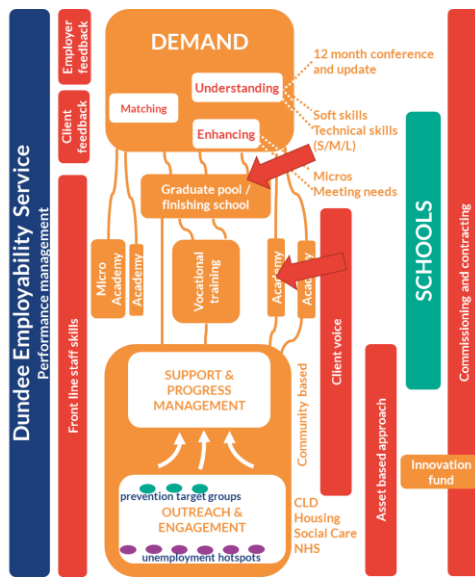


Action in this area will involve:

- 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

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.

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 Scotland² 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 4 – most businesses below 50 employees are micro-businesses).

4135 Small Businesses (<50)	190 Medium Businesses (50-249)	35 Large Businesses (250+)
31% of business employment	16% of business employment	54% of business employment
Public sector employers (32.5% of all employees)		

Figure 4: Distribution of employment in Dundee by sector and business size [Source: Rocket Science analysis of Scottish Government statistics].

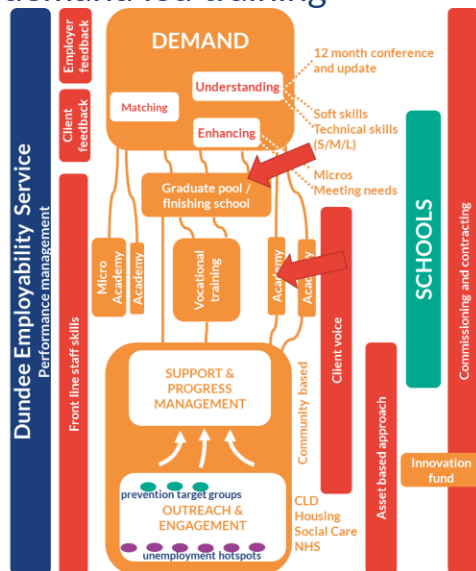
² Micros Untapped: Realising the employment potential of micro-businesses. Rocket Science for FSB Scotland 2012.

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.

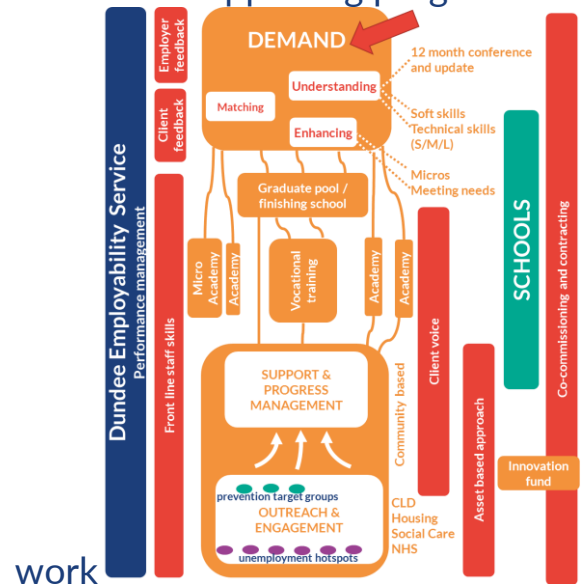
Action 4: Strengthening demand led training



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.

Action 5: Supporting progression in



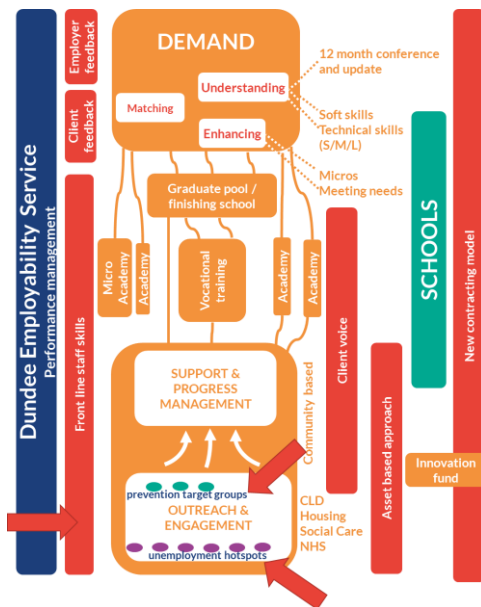
The partners will develop a two strand approach to helping people make progress in work to more secure, skilled and better paid jobs. This will involve:

- 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)

- 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.

which provides one to one support for people in work who wish to make progress to more secure and better paid work.

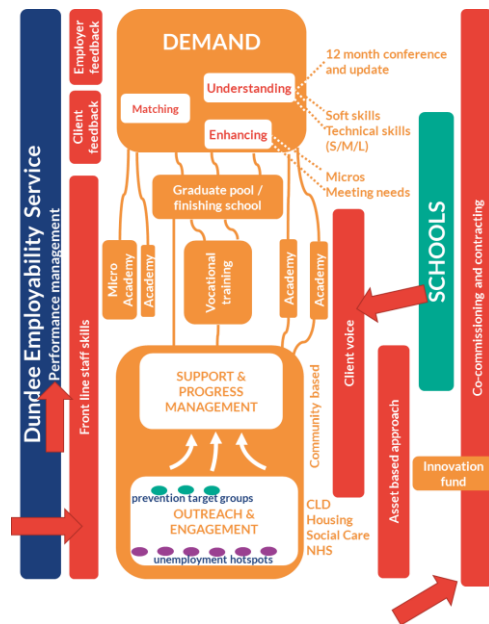
Action 6: Effective targeting of those furthest from work



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

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:

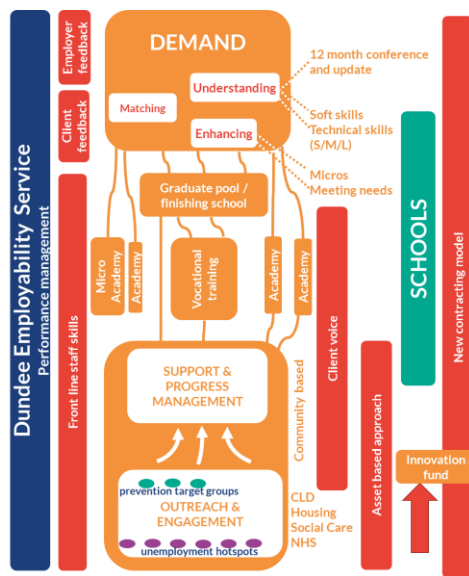
- Ensuring the client voice is drawn on in service design and delivery
 - This is an important part of the established asset-based approach and will provide clients with the opportunity to engage with service providers in an ‘expert’ role

- 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.

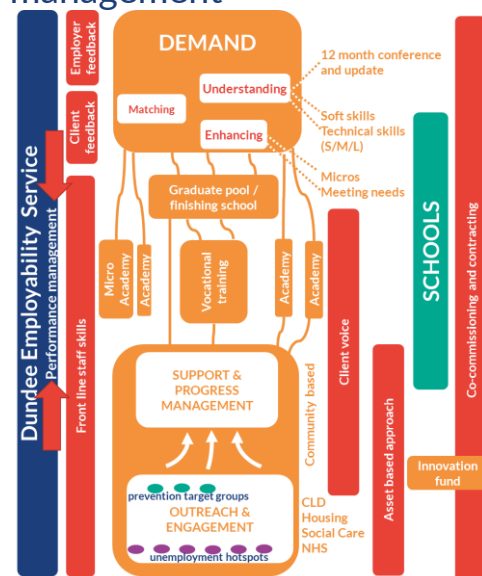
- This would apply to the design of the service as a whole, to the design of individual services within this and to the engagement with each client
- Client voice approaches would be built into joint staff development to ensure that the client perspective was actively drawn on in refining and improving approaches.

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

Action 8: Innovation fund



Action 9: Performance management



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:

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?

- 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.

- 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 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.

6 What will a world class employability service look like?

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 creation of a coherent 'Dundee employability service' with each partner playing to their strengths and the performance of the whole service being *actively managed 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 following section we present our assessment of where Dundee is against a 'world class' benchmark – and propose some key indicators that the partnership can use to assess progress towards this world class status.

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.