



## **Appendix C: Employment and Skills Research to inform the preparation of Sunderland CLLD Strategy - ERS Research & Consultancy - July 2016**

### **Executive Summary**

#### ***About this Report***

In May 2016 ERS was commissioned by Sunderland City Council and the CLLD Local Action Group to undertake research to inform the gaps in local employment and skills provision, identify priorities for pilot projects and build the capacity of specific client groups, organisations, potential entrepreneurs and local enterprises to address the key challenges Sunderland faces in these areas.

Our approach involved: mapping provision; reviewing good practice from across Sunderland; Interviewing key stakeholders and potential beneficiaries; and Identifying key principles and priorities for CLLD. All of this was undertaken within a short five week timeframe.

#### ***Key Findings***

The landscape of provision has changed in recent years. It will continue to do so in light of further budget pressures across the public sector, changes to the DWP core offer for unemployed people and the emergence of a package of support funded through the European Structural and Investment Funds (ESIF).

There is a continued need for a client-centred approach where solutions are designed around individual need. Mentoring support was regarded as a good way of supporting people, particularly those furthest from the job market or about to make a 'big leap' into employment.

Resources will continue to be targeted at NEETs, at least in the early stages of CLLD. There is a need to tackle the issue of limited employability skills much earlier i.e. within a school setting

There is scope for a project to provide targeted support and intensive support in a single service i.e. running from initial pre-employment support, to training and then to employment within a supported job role. Such an operation is active in Sunderland already and there are examples of good practice in place.

There is a clear requirement to boost the provision of mental health support for those in employment and those seeking employment. On the basis of consultation this appears to be the single greatest service gap.

The transition to the Work and Health Programme (WHP) in 2017 will require the programme to provide employment support for people whose primary barrier to entering work is a health condition, plus a cohort of long-term unemployed, who may or may not have a health condition as a barrier. In addition, more work placements and volunteering opportunities are required.

The digitisation of DWP processes will disproportionately impact upon older people. Whilst IT training courses will (probably) be available, not everyone who needs support will attend.

Consideration should be given as to how this is best tackled, perhaps through the upskilling of community based staff and volunteers working in local trusted organisations across the CLLD area.

Much of the priorities identified above could be delivered to people regardless of age, gender, ethnicity and where they live in the CLLD area. The commissioning of services however will need to consider how specific issues across such groups will be taken into account in service delivery.

### **1) Employment and Skills Support Provision – Conclusions**

The commissioning and commencement of new high-value ESF programmes later this year will provide new services in Sunderland. There remains a degree of uncertainty of exactly what will be delivered, and therefore the gaps that the Sunderland CLLD Programme may need to target.

The emergence of the DWP Work and Health Programme, which will commence in October 2017, provides an opportunity for local delivery organisations to become part of the supply chain. This additional resource should have an impact upon the employability of many individuals living in the CLLD area. However, there is also a perception that wider changes to DWP activity, including the switch to a wholly digital system of communication, will lead to sanctions and hardship with a potential impact of increased demand for wider VCS services.

We know that the VCS in Sunderland, like most other areas of the country, have been adversely impacted by public sector budget cuts and the cessation of discretionary funding programmes (SRB, NDC, NRF, DAF, WNF, etc.). Whilst many organisations have become increasingly resilient and continue to receive funding for important services, some other important services are no longer in existence due to the cessation of some organisations. There is also evidence that VCS partners have become increasingly more organised in terms of seeking opportunities to work in more formal partnerships. Such an approach may assist smaller local organisations that are currently less likely to secure contracts.

### **2) Key Service Themes – Conclusions**

This section has identified some of the key barriers to work that are applicable to CLLD and wider service delivery. Whilst it is difficult to outline a list of priorities – what will work better than another approach, we are able to set out some of the key principles/activities to be considered for the CLLD Local Development Strategy. These are outlined (in no particular order) below:

- The value of local delivered provision alongside a client-centred approach where solutions are designed around the individual challenges is clearly a way forward;
- Mentoring support, particularly for those furthest from the job market or about to make a ‘big leap’ into employment, was regarded as a good way of supporting people;
- The need for more work placements and volunteering opportunities. Employer engagement is critical, as is some form of mentoring support to enable people new to work or with particular challenges that impact their likelihood to retain employment;
- The importance of tackling the issue of limited employability skills much earlier i.e. within a school setting; and

- Consideration should be given to more targeted support and intensive support i.e. design of a supported environment that brings people along – from an initial taster session, to training up to level 3 (if needed), and supported paid employment. Such an operation is active in Sunderland already and other examples of good practice exist.

### **3) Understanding, Managing and Coordinating Delivery – Conclusions**

- It sounds obvious but there is a need for commissioners to fund the right type of activity based upon an identified need. Our consultation has revealed a view (albeit a minority view) that the SFA needs to be more open to funding either more niche provision or services delivered by smaller/newer providers that may have less of a track record but can add value. It may be a role for the Local Action Group to consider how community based organisations that fall into this category are supported through CLLD.
- However, there are limitations on the type of provision FACL can support through SFA funding. In the 2016/17 procurement round, FACL were audited by SFA and requested to review the financial standing of sub contracted providers. While FACL sub contracts services to a number of larger VCS providers (including Age UK and the Foundation of Light), this presented a challenge for a number of smaller providers. Although these organisations were often specialists within a niche field, due to their financial position and the lack of reserves in place these providers were deemed higher “risk” for contracting by the SFA.
- As a result, the grant awarded to these organisations was capped and in one instance FACL was only able to award 50 per cent of the contract value, compared with the previous year’s award. This situation stands in direct conflict with the stated aspiration of Sunderland Council to support small, third sector providers, and it is important that CLLD parameters remain flexible to ensure resources are also available for smaller VCS providers, which often cannot compete with larger organisations to secure funding.
- There is a requirement for some delivery organisations to increase their awareness of alternative provision that could be accessed by their clients. Structures exist to facilitate this and in our opinion responsibility lies with such organisations rather than the need to target further resources on ‘publicising the offer’.

### **4) Key Client Groups – Conclusions**

- A challenge for the CLLD Local Action Group is determining priority groups to potentially target through CLLD. This section of the report has broadly identified (based on the information available) the service provision, changes and plans across different groups.
- Despite the range of support identified in the report and the emergence of new projects i.e. via BBO, there is a clear requirement to boost the provision of mental health support. Such activity potentially benefits a diverse range of client groups – gender, age, ethnicity and neighbourhood area.

- There continues to be support targeted at NEETs and we are aware this will be available during the early stages of CLLD.
- An emerging priority from the research is the need to ensure that young people leaving school have the required employability skills to take advantage of apprenticeship and work opportunities. However, the eligibility of ESF outputs for this age group will be restrictive (unless the same individuals are also supported in the future, which may be possible given the CLLD 2022 timescale).
- The cessation of the Work Programme and the transition to the Work and Health Programme will change the characteristics of people looking for support.. People living in the wards including Southwick (where 11.6% are long-term sick or have a disability), Hendon (10.8%), Redhill (10.6%) and Sandhill (10.5%) will be a focus for the support. There is therefore a wider requirement to support those people looking for work who don't have a limiting health condition.
- The digitisation of DWP processes will disproportionately impact upon older people. Whilst IT training courses will (probably) be available, not everyone who needs support will attend. Consideration should be given as to how this is best tackled, perhaps through the upskilling of community based staff and volunteers working in local trusted organisations across the CLLD area.

## **5) Examples of good practice - Conclusions**

- In summary, there are a range of factors which have been identified across a number of these initiatives which have been identified as strengths, and which could be key factors for success.
- It is important that initiatives remain flexible and responsive to individual needs. A number of the initiatives identified 'one to one', client focused, tailored and personalised support as a key factor for success. This is particularly the case where there are multiple and complex barriers.
- Strong partnership working is important to facilitate the delivery of effective programmes, particularly between the public, private and third sector organisations. Each of these sectors plays a key role and several of these reports identified building strong relationships with employers as a key success factor.
- Good communication is important in enabling effective partnership working, which requires a structured communication system or data sharing protocol. Strong communication channels can enable all partners can understand and cater for individual needs.
- There is also a need for clear roles and responsibilities for the different agencies involved. There are examples where there are overlaps, misunderstandings or assumptions of roles which can lead to gaps in provision, service duplication or service users being passed from one to another.
- Where possible, there is a need to minimise bureaucracy for service users and the support agencies to facilitate processes and reduce barriers for engagement in initiatives.
- Clients rarely experience a single barrier to employment and it is vital that services remain client focused if it is going to generate successful outcomes. Closer partnership working could avoid

service duplication, bringing together a great variety of providers with expertise across different areas including family support services, children's services, mental health and employment and skills providers to address the barriers clients face.

## **6) Client tracking, performance management and partnership working – Conclusions**

- The research has found mixed results in terms of the success of partnership working and information sharing. In an environment with ever changing services this is not unexpected or unusual. A key challenge will be the threats to services delivered by those organisations that have advanced information sharing operations in place.
- The Local Action Group has a responsibility for ensuring that activity funded through CLLD operates effective processes regarding information sharing and partnership working.
- The aspiration for consistency across providers' client management systems is laudable, but operationally it will be difficult to deliver a comprehensive system. Given the complexity of this theme we believe that value can be gained from establishing a Task and Finish Group to look at the challenge of increasing coordination of client tracking and improving and standardising performance management (particularly in relation to soft outcomes).

## **7) Overarching Conclusions**

### ***Emerging Provision***

- The commissioning and commencement of new high-value ESF programmes later this year will provide new services in Sunderland. There is still a degree of uncertainty of exactly what will be delivered, and therefore the gaps that the Sunderland CLLD Programme may need to target.
- The emergence of the DWP Work and Health Programme, due to commence in October 2017, provides an opportunity for local delivery organisations to become part of the supply chain. This additional resource should have an impact on the employability of many individuals living in the CLLD area. However, there is also a perception that wider changes to DWP activity, including the switch to a wholly digital system of communication, will lead to sanctions and hardship. At the same time these changes may result in an increased demand for wider VCS services.
- We know that the VCS in Sunderland, in a similar manner to most other areas of the country, has been adversely impacted by public sector budget cuts and the cessation of discretionary funding programmes (SRB, NDC, NRF, DAF, WNF, etc.). Whilst many organisations have become increasingly resilient and continue to receive funding for important services, some other important services have ended due to the cessation of some organisations. There is also evidence that VCS partners have become increasingly organised in seeking opportunities to work in more formal partnerships. Such an approach may assist smaller local organisations that are currently less likely to secure contracts.
- Importantly, from 1 August 2018 the combined Local Authorities of NELEP will receive an Adult Education Budget from the Department of Education with responsibility for commissioning full provision for the skills funding budget. Without the existence of SFA targets, there could be a

danger that less funding is made available for lower level non-accredited training focusing on early engagement services and supporting softer skills development, which is historically delivered through FACL Community Learning provision.

- This consultation has revealed the value this provision has for groups that are vulnerable or harder to reach, with little prior engagement in courses or skills training, improving levels of confidence and self-esteem and supporting beneficiaries to access further provision. Importantly, there could be an opportunity for CLLD funding to address particular short falls in provision to ensure non-accredited and engagement level provision continues to remain available.

### ***Key Principles Based Upon Good Practice Review***

- It is important that initiatives remain flexible and responsive to individual need. A number of the initiatives identified 'one to one', client focused, tailored and personalised support as a key factor for success. This is particularly the case where there are multiple and complex barriers.
- Good communication is important in enabling effective partnership working, which requires structured communication systems or data sharing protocols. Strong communication channels can enable all partners to understand and cater for individual needs.
- There is also a need for clear roles and responsibilities for the different agencies involved. There are examples of overlaps, misunderstandings or assumptions regarding particular roles which can lead to gaps in provision, service duplication or service users being passed between organisations.
- Where possible, there is a need to minimise bureaucracy for service users and support agencies to facilitate processes and reduce barriers for engagement in initiatives.
- Clients rarely experience a single barrier to employment and it is vital that services remain client focused to generate successful outcomes. Closer partnership working could avoid service duplication, bringing together a great variety of providers with expertise across different areas including family support services, children's services, mental health and employment and skills providers to address the barriers clients face. The FACL Forum is a good example of information sharing across grass-roots VCS providers.

### ***Prioritising Types of Activity***

We are able to set out some of the key principles/activities to be considered for the CLLD Local Development Strategy. These are outlined (in no particular order) below:

- The value of local delivered provision alongside a client-centred approach where solutions are designed around individual challenges is clearly a way forward;
- Mentoring support was regarded as a good way of supporting people, particularly those furthest from the job market or about to make a 'big leap' into employment.

- The need for more work placements and volunteering opportunities. Employer engagement is critical, as is some form of mentoring support to enable people new to work or with particular challenges that impact their likelihood to retain employment;
- The importance of tackling the issue of limited employability skills much earlier i.e. within a school setting.
- Consideration should be given to more targeted support and intensive support i.e. design of a supported environment that brings people along - from an initial taster session, to training up to level 3 (if needed), and supported paid employment.

### ***Priority Groups for CLLD***

- A challenge for the CLLD Local Action Group is determining priority groups to potentially target through CLLD. This section of the report has broadly identified (based on the information available) service provision, changes and plans across different groups.
- Despite the range of support identified in the report and the emergence of new projects i.e. via BBO, there is a clear requirement to boost the provision of mental health support. Such activity potentially benefits a diverse range of client groups, in terms of gender, age, ethnicity and neighbourhood area. Importantly, the evidence gathered from the Community Learning Mental Health Pilot to date suggests that Community Learning provision can also have a positive impact on levels of mental health.
- There continues to be support targeted at NEETs and further resources will continue be targeted at this cohort, at least in the early stages of CLLD.
- An emerging priority from the research is the need to ensure that young people leaving school have the required employability skills to take advantage of apprenticeship and work opportunities. However, the eligibility of ESF outputs for this age group will be restrictive (unless the same individuals are also supported in the future, which is entirely possible given CLLD 2022 timescale).
- The cessation of the Work Programme and the transition to the Work and Health Programme will change the characteristics of people looking for support – i.e. only people with health issues will be supported through this programme. People living in the wards including Southwick (where 11.6% of the population are long-term sick or have a disability), Hendon (10.8%), Redhill (10.6%) and Sandhill (10.5%) will be a focus for the support. There is therefore also a requirement to support those people looking for work who don't have a limiting health condition.
- The digitisation of DWP processes will disproportionately impact upon older people. Whilst IT training courses will (probably) be available, not everyone who needs support will attend. Consideration should be given as to how this is best tackled and perhaps additional resources could support the upskilling of community based staff and volunteers working in local trusted organisations across the CLLD area.

- Many of the priorities identified above could be delivered to individuals regardless of age, gender, ethnicity and where they live in the CLLD area. The commissioning of services, however, will need to consider how specific issues across such groups are taken into account in service delivery.

### ***Partnership Working and Data Sharing***

- Strong partnership working is important to facilitate the delivery of effective programmes, particularly between public, private and third sector organisations. Each of these sectors plays a key role and several of these reports identified building strong relationships with employers as a key success factor.
- The research has found mixed results in terms of the success of partnership working and information sharing. In an environment with ever changing services this is not unexpected or unusual. A key challenge will be the threats to services delivered by those organisations that have advanced information sharing operations in place.
- There is a requirement for some delivery organisations to increase their awareness of alternative provision that could be accessed by their clients. Structures exist to facilitate this and in our opinion that responsibility lies with these organisations rather than the need to target further resources on 'publicising the offer'.
- The Local Action Group has a responsibility for ensuring that activity funded through CLLD operates effective processes regarding information sharing and partnership working.
- The aspiration for consistency across provider client management systems is laudable, but operationally it will be difficult to deliver comprehensive systems. Given the complexity of this theme we believe that value can be gained from establishing a Task and Finish Group to look at the challenge of increasing coordination of client tracking and improving and standardising performance management (particularly in relation to soft outcomes).