

DRAFT SAVINGS PROPOSAL

Proposal Title:	Employment & Skills Service transformation		
Reference:	SAV / PLA 013 / 21-22	Savings Type:	Service transformation
Directorate:	Place	Savings Service Area:	Central services
Directorate Service:	Growth & Economic Development – Employment & Skills	Strategic Priority Outcome:	1. People access a range of education, training, and employment opportunities
Lead Officer and Post:	Aelswith Frayne, Head of Employment & Skills	Lead Member and Portfolio:	Cllr Motin Uz-Zaman, Cabinet Member for Work and Economic Growth

Financial Impact:	Current Budget 2020-21	Savings/Income 2021-22	Savings/Income 2022-23	Savings/Income 2023-24	Total Savings/Income
Budget (£000)	2,353	(257)	-	-	(257)

Staffing Impact (if applicable):	Current 2020-21	FTE Reductions 2021-22	FTE Reductions 2022-23	FTE Reductions 2023-24	Total FTE Reductions
Employees (FTE) or state N/A	56	(12.6)	-	-	(12.6)

Proposal Summary:

The Employment and Skills Service includes WorkPath, Supported Employment and the (statutory) Careers Young WorkPath services. The proposal is to create a General Fund (GF) saving by:

- Reducing delivery in areas that show the least return on investment – Employer Engagement volume recruitment
- Redesign delivery where outcomes are very positive but level of spend is unsustainable – Supported Employment Programmes (paid work experience and training)
- Redesign other areas where we perform best to further increase levels of personal development and resilience amongst clients – Information, Advice and Guidance (IAG) service, and ESOL, Sector ESOL and Functional Skills delivery.
- Maximising delivery of statutory responsibilities by reorganising the Careers Young WorkPath structure and maximising income from bought in schools careers provision.

The service will:

- Continue to prioritise those with a range of barriers, offering targeted support
- Concentrate only on key sectors with a proven and enduring demand for staff, and where Local Authority-led programmes can add value: Construction, health and social care
- Expand delivery through remote working to reach a wider audience and ensure continued support despite distancing and potential second wave lockdown
- Utilise external recruitment and job brokerage routes where partners are more agile
- Increase Digital access to maximise impact of the above:
 - o Rollout of broadband and devices to priority neighbourhoods and households, supported by partners (EECF, Letta Trust, Poplar Harca)
 - o Deliver tablet/device lending scheme
- Apprenticeships:
 - o Maximise use of levy transfer to partners to support the VCS and businesses seeking to maximise productivity by driving up skills
 - o Deliver more pre-entry courses to maximise access
 - o Lobby for increased flexibility on levy spending

The proposed saving relates specifically to GF and an assumption that MPG will no longer be available to fund delivery of current Supported Employment programmes. The proposals will require draw down of S106 and the maximisation of external income to deliver the redesigned Supported Employment offer. S106 funds are available and funding proposals will be submitted.

The proposals are motivated by the need to work smarter in order to deliver to a wider audience and with diminishing resources. Proposals have also been influenced by the exponential increase in remote working and online learning forced by the C-19 lockdown. Rather than seeing this as a negative the service hopes to harness the crisis as a catalyst for positive change. This will entail some investment in key areas such as digital access and inclusion, web development and corralling of online resources, but work is already underway with partners to deliver this as cost effectively as possible, and the assumption is that any investment will be funded from S106 relevant to the delivery of and access to training and skills.

The overall strategic priority of “enabling people to access a range of education, training and employment opportunities” will remain, but the emphasis will shift from directly delivered job outcomes to the delivery of personal progression and resilience outcomes. Having said that, an on-going analysis is indicating that IAG and CYWP functions currently deliver the majority of existing outcomes for Employment & Skills and this delivery will continue alongside a greater focus on referral and joint working with JCP, VCS and private recruitment agencies to deliver volume outcomes for the borough. Outcome projections are being developed based on emerging labour market data and will be included in proposals as they develop.

Proposed staffing reductions: 12.6 FTEs.

Some procurement/investment may be required:

- Partnership contribution to digital access project led by EECF – pilot phase contribution £20k
- Tablet/device lending project in partnership with Idea Stores and Adult Learning - £50k-£100k depending on scope. ESF funds being sought to reduce pressure on S106
- Particular resources for web development and online careers and mentoring support, but the majority of resources will be harnessed from partners already engaged. Partners include UEL, QMU, Bright Network. Additional cost not yet known.
- Sector specific training – cost will be minimised as efforts focus on supporting access to existing training.

Any procurement will be funded from S106 or external funds and subject to approval. A revised, streamlined process for drawing down earmarked S106 in support of project activity will be essential to support an appropriate and timely response to residents’ employment and skills needs as they emerge and evolve throughout the COVID crisis.

HR guidance will be followed in implementing a review of the service and the proposed job losses. All stakeholder engagements/consultations with staff and unions will be undertaken in consultation with and under the guidance of HR Business Partner.

Risk and Mitigations:

Risks:

- Service restructure required and procedure means savings cannot be realised quickly.
- Potential reputational damage to the council in being seen to reduce services at a crucial time.
- Staff redundancies

Mitigations are highlighted in the narrative above in terms of embracing remote working and blended learning to maximise the reach of services; harnessing partner resources; focusing on areas of delivery with highest returns. In addition, we are proposing to co-locate from June the JCP 18-25 Hub with WorkPath to ensure we best support this particularly vulnerable group in the wake of C19.

Resources and Implementation:

- Management and HR time.
- Timeline to be developed.

What are the resources needed to build up the proposal?

Is feasibility work required?

What needs to happen for implementation? Timeline and activities required by month.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	No. The changes are meant to ensure that this risk is minimised. Resources will continue to be directed to support those furthest from the labour market and this is the area of delivery that already demonstrates the best outcomes. Additional areas of work with strategic partners will seek to support social mobility by expanding careers support and access to work experience and internships.
Does the change reduce resources available to support vulnerable residents?	Yes	The changes are meant to ensure that this risk is minimised. Resources will continue to be directed to support those furthest from the labour market and this is the area of delivery that already demonstrates the best outcomes. Additional areas of work with strategic partners will seek to support social mobility by expanding careers support and access to work experience and internships.
Does the change involve direct impact on front line services?	Yes	Yes, the changes impact the delivery of direct job brokerage services for job ready clients, but evidence indicates this is not the most effective use of resources to support residents most in need and can be better undertaken by strategic partners such as JCP, VCS and private recruitment agencies.
Changes to a Service		
Does the change alter who is eligible for the service?	No	No, over 80% of clients come through the IAG service which delivers holistic interventions to address multiple barriers to work and build resilience. This service will remain fully in place whilst other measures are developed to better support and refer those more job ready.
Does the change alter access to the service?	Yes	The plans seek to increase access to the service by making better use of modern and smarter ways of working.
Changes to Staffing		
Does the change involve a reduction in staff?	Yes	Yes, the changes will involve what is currently estimated to be a reduction of 12.6 FTEs. Two of these posts are currently vacant due to resignations and deliberate recruitment drag, and a further one is vacant due to a secondment until November 2020. Any secondees, and staff on sick or maternity leave will be fully engaged in consultations.
Does the change involve a redesign of the roles of staff?	Yes	Yes, it involves a redesign of some roles within the Supported Employment Team - 9 FTEs. The biggest change will be moving away from delivery of paid work experience placements to a model that focuses purely upon career guidance, training, internships, apprenticeships, job outcomes and progression. Concentrating only on key sectors with a proven and enduring demand for staff, and where LA-led programmes can add value: Construction, health and social care.

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	Yes

Additional Information and Comments: