

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

Report of the Executive Director of Place to Cabinet

Employment and Skills – Digital Boost and Strategic Commissioning Framework

1 Purpose of report

- 1.1 To ask that Cabinet approve the acceptance for European Social Fund (ESF) grant for a workforce development project, "**Digital Boost**" subject to bid approval. This project aims to support the delivery of digital skills and increased progression in employment for working people in South Yorkshire and is in the final stages of appraisal at the point of writing, Barnsley Council and its partners are keen to be able to mobilise as soon as possible on approval within challenging timescales.
- 1.2 Approval is sought to enter into an ESF funding contract with DWP (Digital Boost) to lead a South Yorkshire project of FE, HE and local authorities and deliver the project locally.
- 1.3 The report also seeks approval to develop and implement a commissioning strategic commissioning framework underpinning the delivery of the Digital Boost project and wider delivery activities in order to progress the borough's employment and skills strategy.
- 1.4 This report sets out a proposal to deliver this through the establishment of a Dynamic Purchasing System allowing Barnsley Council to bring in partners to deliver the complex programmes needed without a further lengthy procurement process on receipt of discretionary grants. This approach enables the service to work with smaller organisations, for example, 3rd sector organisations who may not have the resource, experience and expertise to bid and deliver for work at scale and short notice but provide a valuable focused service in our communities against specific elements of a broader programme of support.

2 Recommendations

- 2.1 To agree to accept the ESF grant for Digital Boost project on approval and contribute the required match funding.
- 2.2 To sign a contract with DWP to manage Digital Boost on behalf of the project partners, conclude service level agreements with the project partners and undertake the responsibilities of delivering the Barnsley activity.

- 2.3 That the Council agrees to the Dynamic Purchasing System (DPS) approach as the preferred route;**
- 2.4 That the Council begins a procurement exercise to establish the DPS;**
- 2.5 That the Council agrees to allow other authorities to use the DPS;**
- 2.6 To delegate the award of the contracts to the successful tenderers for the DPS to the Executive Director of Place, or their duly authorised representative.**

3 Introduction

- 3.1 The priorities in Barnsley Council's 2017-20 Corporate Plan are:
 - to create more and better jobs and good business growth
 - to increase skills to get more people working
 - to create strong and resilient communities.
- 3.2 Productivity in the UK is dragged down by a long tail of low skills and productivity. Skills are one of the key drivers of productivity. Comparatively low levels of skills in Barnsley and the wider city region contribute towards economic under-performance. Even before the advent of Covid – 19 and the subsequent Lockdown commentators were warning that the UK's productivity was continuing to fall and had fallen to a low of just 0.3%¹, the worse since the industrial revolution 250 year ago.
- 3.3 The emergence of the virus and subsequent lockdown has not only created a recession, perhaps the worst in 300 years but is also accelerating changes that were afoot in the economy already. These include pressure on the high street, increasing use of digital technologies and the need for the skills use them. At the same time new opportunities are emerging, for example the push for a greening of the economy which has the potential to create new jobs requiring new skills.
- 3.4 The Digital Boost project is part of a wider programme of projects delivered as part of our Employment and Skills Strategy supporting a journey for local people from those at a distance from the labour market to those who are working and need to update their skills to adapt to new opportunities. The projects in this programme are mutually supportive and link to new projects coming forward to support our local businesses. They also build on the work undertaken to date to integrate services around the individual to provide the right support at the right time to enable people to progress.

Figure 1 – The new ESF employment and progression programme

¹ The Guardian, February 2020 - <https://www.theguardian.com/business/2020/feb/03/uk-productivity-slowdown-worst-since-industrial-revolution-study>

Complex and Multiple Barriers	Unemployed - Closer to Labour Market	Employed Low Skills/ Pay or Disadvantaged	Employed - Improving Digital Skills
<ul style="list-style-type: none"> • TENANTS FIRST • Intensive and integrated support 	<ul style="list-style-type: none"> • SECTOR ROUTEWAYS • Targetted skills training for priority sectors 	<ul style="list-style-type: none"> • ADVANCE • Information, Advice and Guidance, Skills Support and help to access apprenticeships 	<ul style="list-style-type: none"> • DIGITAL BOOST • Flexible and comprehensive digital skills pathway from basic to advance skills

- 3.5 These programmes are a key elements in realising our Employment and Skills Strategy, currently being refreshed. To achieve this, the Employment and Skills service directly delivers employment support, adult skills and community learning. It utilises a mix of discretionary, grant and core budget funding in its service delivery. The support offer is diverse and responsive in order to meet the current and future employment needs of our residents and employers which we are unable to deliver entirely internally as a Council. The service often partners with other organisations in bids or subcontracting (for example, Berneslai Homes, our Colleges and Sheffield Council) and works in close partnership with many of our 3rd sector as part of a rounded customer support offer (for example, Fareshare Yorkshire, Coalfields Regeneration Trust, DIAL, Citizens Advice and Credit Union).
- 3.6 Barnsley MBC and its partners are developing plans to reduce the impact of the shock on Barnsley businesses and residents. As part of this recovery plan, options to utilise existing resources differently and bring forward new activities to address identified caps are being considered. The proposed framework sits as a foundation for the main infrastructure we need to deliver Barnsley's 2030 Strategy, Recovery Plan and our refreshed Employment and Skills Strategy, due to launch January 2021. New services in response to those priorities will continue to be funded through a mix of grant and discretionary budgets.

4 Proposal and justification

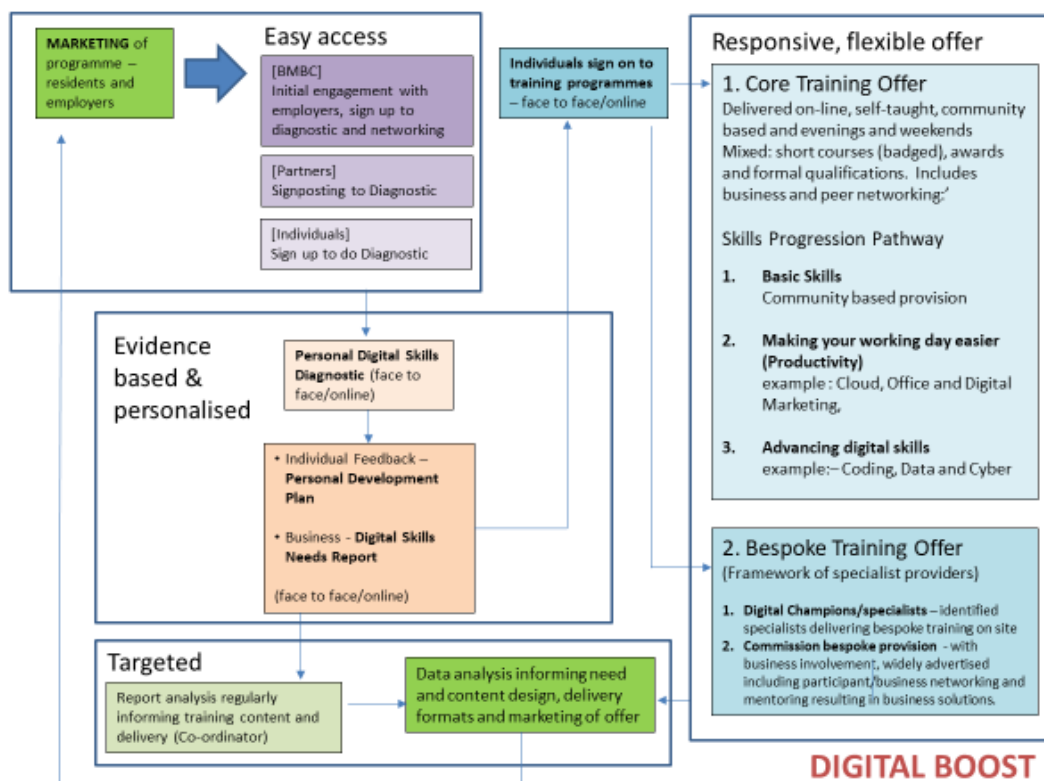
Digital Boost

- 4.1 **Digital Boost** is led by Barnsley Council on behalf of a South Yorkshire partnership of Sheffield City Council, Sheffield Hallam University, Barnsley College and RNN Group. The Council will manage the project and project claims on behalf of the partnership and deliver to local participants using our community outreach strengths and through our business relationships as well as via a strong marketing and promotion plan.
- 4.2 Digital boost will deliver digital training for working people at all levels from supporting people with no/low skills to advanced skills for digital practitioners. In addition the project will develop bespoke training that meets identified gaps and emerging needs. This will be supported through a framework which can commission digital champions

and niche training as and when required. There will be a two pronged marketing and promotion through community venues and business to business engagement.

- 4.3 Participants will undertake a digital skills assessment and receive a personal development plan. Businesses who have signed up their employees will receive a digital needs report to help them identify gaps. The digital skills training will be delivered flexibly through one to one and community learning, on-line learning or a blended approach depending on the individual's needs and preferences.
- 4.4 The entire participant journey will be supported through quality information advice and guidance, with one to one mentoring where appropriate and skills delivery will align with the Adult Skills and Community Learning offer in order to maximise efficiency and progression.

Fig 2. The Digital Boost Programme



- 4.5 It will support the move to an Inclusive Economy by delivering the required skills for local people to access new jobs and progress and support employers to build the skills of their workforces to meet the needs of an increasingly digitalised economy. It supports the priority of **Getting On (and Staying In) Work** in the More and Better Jobs Plan.

A Commissioning Framework for Employment and Skills

- 4.6 Establishing a local commissioning framework for employment and skills will allow us to bring in partners to deliver the complex programmes needed without a further lengthy procurement process after contracting; it will enable us to work with smaller organisations, for example, 3rd sector organisations who don't have the resource, experience and expertise to bid and deliver for work at this scale but provide a valuable focused service in our communities against specific elements of a broader programme of support.
- 4.7 The model we want to utilise to achieve this is a Dynamic Purchasing System (DPS), an electronic version of a supply chain list. A DPS is where tenders or other bidding opportunities are published to specific contractors that have been successful in maintaining a position on that list, and is similar to a framework agreement. Providers can join the DPS at pre-determined points throughout the term and the Council can add work programmes and schemes when funding becomes available for the DPS providers to bid for.
- 4.8 Our intent is to shape and structure the DPS with active market input to ensure its structured appropriately and works not just for BMBC but also providers within it. The DPS will have different categories of specialism within it to allow us to target activity, for example:
- Category 1 – Support to unemployed residents
 - Category 2 - Support for people employed and wanting to progress
 - Category 3 – Digital skills for the workforce and productivity
- 4.9 Following the publication of the tender outlining the new system and its requirements, setting up the the DPS is a two stage process:
- Stage One: Contractors complete a Selection Questionnaire (SQ) and all those who meet the selection criteria will be admitted to the DPS and/or the relevant categories within it. Rejected contractors are provided with feedback in order to enable them to re-apply at a later date should they wish to do so.
- Stage Two: The Council, or another participating Authority, issues mini-competitions under a specific category for a "lot" of work, such as a particular programme, and invites all suitable contractors on the DPS (or within a particular DPS category) to bid for it. Contractors are not obliged to bid. The contracts are awarded through the DPS to the successful bidder.
- This element of competition means best value can be achieved and the Council will benefit from any reduction in costs between different work programmes during the 5 year period.

- 4.10 The Council can set its own requirements for contractors wanting to be part of the DPS, such as holding matrix certifications, the international quality standard for organisations that deliver information, advice and/or guidance (IAG), either as their sole purpose or as part of their service offering. It will also allow for this criteria to be changed as new external funding becomes available or new requirements are set by government meaning it can be kept up to date.
- 4.11 There is no upper limit on the number of providers who can join the DPS but its value is not expected to exceed £10m during the 5-year term. The overall value of the contracts will vary depending on availability of external funding, customer contributions and availability of council funding.

5 Consideration of alternative approaches

- 5.1 Doing nothing removes the associated risks of managing and delivering ESF projects and it could be argued that the current Skills Bank Provision and Skills Support for the workforce provide routes through which workforce development can be promoted.
- 5.2 Barnsley Council is already investing a considerable amount of its own and other funds in the local digital economy, with the Digital Campus being a key priority for the authority both to grow its niche innovation and to support the adaptation of the wider economy. Digital skills for the workforce is currently a missing piece of this strategy, especially in light of the generally lower level of digital skills in the labour market. Without growing these skills locally, the benefit of this investment is unlikely to be fully realised and there is the potential for local people to be locked out of opportunity.
- 5.3 Digital Boost enables access from working people whose employers don't support their skills development and progression, which is not the case for either The Skills Bank or Skills Support for the Workforce, both of which have to work through engagement with the employer.
- 5.4 In its programme delivery, the Council can issue tenders for specific programmes of work as they arise. This is not recommended given the timescales involved for procurement and the requirement to be able to submit bids for funding as they arise. Security of delivery is usually a scoring criteria for bids and so having something existing in place would be viewed more favourably than having to start a procurement exercise from scratch.

6 Implications for local people / service users

- 6.1 Digital Boost supports progression in the labour market contributing towards economic sustainability for local people and enhancing their opportunities in the labour market. In designing the project, the partners identified those who are most at risk of falling behind and have included specific support to engage those individuals

and address their barriers to progression; be it the need for intensive support or the ability to access training when and where they need it.

- 6.2 In the establishing the recommended approach to commission activity under the Employment and Skills Strategy the Employment and Skills service undertook some informal testing with providers, if this is to progress, the service will be undertaking a proactive market development approach over the coming months to ensure that providers are fully aware and able to participate. Sessions will be delivered in partnership with BMBC procurement to ensure all interested parties are able to engage.

7 Financial implications

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).

- 7.2 As lead body for the South Yorkshire Partners, the Council is due to be offered a contract of up to £5,509,158 from DWP which £3,305,495 will be provided from ESF.

- 7.3 The £5,509,158 is for delivery across all the South Yorkshire partners. Specific to Barnsley the total project cost will be £1,376,683. To be able to access the £1,376,683 investment the Council will have to provide £429,405 in match funding.

- 7.4 The Councils match funding of £429,405 is over the 3 year contract period and comprises of existing substantive staff roles involved in project delivery and a cash contribution of £50,000 which has already been allocated to support the creation of a digital skills pipeline. This is phased as follows:

2020/21 £39,353

2021/22 £130,615

2022/23 £145,587

2023/24 £113,850

- 7.5 The Council will be responsible for the administration of funding for the Project, any risk will be confined to the Barnsley element of the project. Project partners will be responsible for their own spend and delivery of outputs.

- 7.6 The ESF grant will enable the Council to draw in an additional £150,000 for the digital skills commissioning framework and to recruit 3 posts; an additional Information, Advice and Guidance Officer, an additional Employer Engagement Officer and an additional Projects and Contracts Officer. Full details of the HR implications are in Appendix B.

- 7.7 The strategic commissioning framework will be utilised to invest funds when available. Providers pre-qualified on the DPS have no guarantee of contract.

7.8 The financial implications for the project are summarised on the attached Appendix A.

8 Employee implications

8.1 Digital Boost, as laid out, will safeguard some employees who would otherwise be at risk and require additional recruitment. Appendix B details new grant funded posts and those earmarked to contribute match funding.

8.2 Resource will be needed from the Employment and Skills team to co-ordinate and manage commissions through the DPS, to undertake market engagement and ongoing development. This will be accommodated within current staffing levels.

8.3 Resource will be needed from the Procurement team to conduct the tender process for the initial set up of the DPS and to manage the mini-competitions once the DPS is established. This will be accommodated within current staffing levels.

8.4 Resource will be needed from the Legal to set up the DPS initially but there will be no further involvement in the running or management of the DPS.

9 Communications implications

9.1 There will need to be some publicity around extending our ambitions for our commissioning framework and the launch of the new DPS to encourage providers to get involved.

9.2 Marketing plans will need to be drawn up and agreed with comms as part of any work programmes allocated via the DPS

10 Consultations

10.1 Throughout the development period for Digital Boost the following partnerships have been consulted:

- More and Better Jobs Taskforce
- South Yorkshire Local Authorities
- Barnsley College, Northern College and RNN Group
- Internal colleagues, HR, Finance, Enterprising Barnsley

10.2 Consultations have taken place with the procurement team to determine the suitability of using a DPS.

10.3 Consultations have taken place with Finance and Legal.

11 The Corporate Plan and the Council's Performance Management Framework

- 11.1 The Corporate Plan includes outcomes to increase skills and get more people working and so by establishing a more flexible approach via the DPS it would allow the council to set and achieve more ambitious targets.

12 Promoting equality, diversity, and social inclusion

- 12.1 Digital Boost aims to address challenges and promote equality, diversity and social inclusion. Each project has its own Equality and Diversity Plan which will be monitored on a quarterly basis. An Equality Impact Assessment has been carried out.
- 12.2 The availability of funding is promoted through various front-line staff, proactive marketing and organisations that are in contact with minority groups across the Borough.
- 12.3 Providers added to the DPS will be expected to provide marketing literature in a variety of languages and formats to meet the needs of residents and this will be monitored throughout the duration of any contracts established via this route. Again, An Equality Impact Assessment has been undertaken.

13 Tackling the Impact of Poverty

- 13.1 Improving the employability and skills of residents are some one of the ways in which residents can be taken out of poverty or prevented from falling into poverty.
- 13.2 Contractors will be expected to work alongside the Council's Employment and Skills team and other relevant services to ensure that those residents with wider issues around poverty are referred into the relevant support networks that are available to assist with this.

14 Tackling health inequalities

- 14.1 Worklessness is one of wider determinants of health and improving employment prospects produces long-term benefits for residents.
- 14.2 Digital Boost does not have a specific health element although it will include targets for people with a disability or health issue alongside appropriate support. However both projects will promote the services of Be Well @Work and other services which can help employers to support employees with health barriers

14.3 Information relating to resident's health will be collected as part of an holistic Assessment pre and post support and is used to evaluate the effect that support provided has had overall.

15. RISK MANAGEMENT ISSUES

15.1 Risks for the Digital Boost project has been assessed and its Risk Register is appended in Appendix C.

16. GLOSSARY

- ESF – European Social Fund
- ASCL – Adult Skills and Community Learning
- DPS – Dynamic Purchasing System

17. LIST OF APPENDICES

Appendix A – Financial Implications
Appendix B – HR Implications, Digital Boost
Appendix C – Risk Register Digital Boost

18. BACKGROUND PAPERS

- Call Specifications
- Project Applications
- ESF Standard Contract Template
- Barnsley's Employment and Skills Strategy, More and Better Jobs

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made