

Agenda Item	7
Report No	LA 3/13

Summary:

This report provides a summary of labour market and employment information and a description of Employability Services provision in the area. It also introduces a revised Deprived Area Fund available in the Area for 2014-15. Members are asked to comment on the Employability information and determine how they want to deliver the Deprived Area Fund from 2014-15.

The work of the Employability team within the Planning and Development Service directly supports the Council's Programme of support for the Highland economy and specifically helps with the creation of jobs and efforts to assist young people who have left school to access training, education or work.

1. Employability

1.1 Employability is described as the tasks and processes that help people obtain and sustain employment. It therefore covers a whole range of activity from care and rehabilitation; through personal development and learning activity to job seeking and retention. It is a generic term that covers people in a wide variety of circumstances – young people; people with long term conditions; people who are simply unemployed and job seeking. **Appendix 1** attached shows what is called the Strategic Skills Pipeline – a simplified model intended to show the stages people go through in preparation for employment and increasingly used to describe the range of services that can support people to do so. Service provision involves a wide range of agencies and funding sources – private, public and third sector. The challenge of Employability is to ensure the appropriate service is provided in the right place at the right time for each individual.

1.2 Scottish Government has recently published Guidance - Working for Growth – to reinforce the importance of agencies working together to strengthen leadership; improve integration; tackle inequality and improve performance. In Highland the main strategic body for coordinating services is the local employability partnership - Highland Works and includes Job Centre Plus; Skills Development Scotland; Further & Higher Education and the Council. Highland Works operates through a strategic body and a number of local network groups as described below.

2. Area Information

2.1 Information about Unemployment and Benefits Claimants for both Wards is shown in **Appendix 2**. It shows that there are 217 people claiming Job Seekers Allowance (JSA), with rates just below the Highland average. However those unemployed long term (over 6 months) are almost half of all unemployed in Ward 22. This means that it is likely that a high proportion of people claiming JSA will be referred to the Work Programme provided by private contractors on behalf of the DWP (and ineligible for some Scottish funded training or employment programmes).

- 2.2 There are some 750 people in receipt of Employment Support Allowance and Incapacity Benefit. These claimants are now subject to a Work Capability Assessment and may be placed in a Work Activity Group expected to make progress towards employment or are assessed as Work Capable and placed on JSA. Members will note that the numbers of people on ESA/IB are higher than those currently on JSA. At a national level around one third of ESA claimants are assessed as “work capable” – there is no specific information available at a local level but these numbers will be adding to JSA claimants. This group of claimants is a priority for the Council funded programmes.
- 2.3 There are significant numbers of people in receipt of Income Support. Income Support is extra money for those on a low income or none at all, who are working less than 16 hours a week. One of the principal groups within this category will be single parents with young children (required to seek work when youngest child reaches the age of 5). These people will begin to transfer to Universal Credit as the Welfare Reforms are introduced over the next few years and be subject to job-seeking conditionality.
- 2.4 Information about employment and economic activity is presented in **Appendix 2a** to this Report. This shows the estimated percentages of people employed in the key sectors in which they work by the Council Wards. This information is intended to show the existing pattern of employment sectors where vacancies may occur and where there is demand from economic growth. Of particular note is the importance of Accommodation and Food services in the local economy - at almost twice the Highland rate. The importance of Agriculture in Ward 12 is also demonstrated.
- 2.5 This information will be used in the formation of Skills Investment planning to identify sector skills and job opportunities that assist ECS Service, Skills Development Scotland and Higher and Further Education institutions to plan services appropriate to the local economy.

3. Youth Employment

- 3.1 One of the principle concerns in Employability at present is the disproportionate effect on young people who are leaving school and other learning institutions that are unable to obtain employment. The figures for 18-24 year olds registered as “job seekers” is described in the previous section – around 35 across the area and a rate that compares favourably with the rest of Highland and reflects well on the work being done locally to assist school leavers. Further information about School Leaver destinations will be available through the Education Service.

4. Service Provision

- 4.1 An overview of employability service provision in the area is given in **Appendix 2b**. This illustrates the challenge of providing integrated and coordinated services across all areas. At the Highland level activity is coordinated through Highland Works - the Highland local employability partnership. In Lochaber the Employability Adviser and staff from Inverness meet regularly with partners locally to plan Lochaber activities.

- 4.2 The Council’ Employability Service in Lochaber includes –

- 1 Employment Adviser;
- Core Team support in partnership working;
- Activity Agreements for school leavers (managed by ECS);

- Council Youth Trainee / Work Experience placements;
- Create & Employ (Employment Recruitment Incentive);
- Council contracted services (see Appendix 4)
- Deprived Area Fund.

4.3 Local priorities include strengthening partnership working through –

- Action to engage with businesses and promote recruitment and training incentives.
- Monitoring delivery of Council and partner programmes in the area, in relation to school leavers particularly.

5. Deprived Area Fund

5.1 The Deprived Area Fund has been operated by Planning and Development since 2011-12. In Lochaber it has been used to support employment related activity across the area – in Upper Fort William; West Highland College and Kinlochleven. In 2012-13 two regular Work Clubs were operated - in Upper Fort William and Kinlochleven. The balance of funds was used to provide 15 additional short pre-employment courses engaging almost 100 people in positive learning activity.

Lochaber Deprived Area Fund 2012-13	
Lochaber Hope	£8,100
West Highland College	£8,000
Lochaber Business Development Services	£5,600
Snow Goose Solutions	£1,410
SHIRLIE	£2,759

Report to Ward Business meeting 13 May 2013 refers.

5.2 The operation of the Fund was reviewed by Planning & Development Committee at its meeting on 14 August 2013 and the introduction of a revised Deprived Area Fund from 2014-15 was agreed. Details are attached as **Appendix 3**. The allocation from the new Fund for Lochaber will be £30,000 in 2014-15.

5.3 The introduction of the new Fund over the next three years provides the Area Committee with the opportunity of deciding how it wants to direct its use over the period within the strategic direction given by PED. Members are asked to consider how they want to approach the use of the Deprived Area Fund in Lochaber for 2014-15.

5.4 Members will note the criteria, eligible activities and time frame of three years for the Fund. This may be used for grant funded provision, additional levels of an existing service, or to support more substantive projects over the period. In Lochaber the DAF funding has been used to provide support to Work Clubs in Fort William and Kinlochleven over the past two years as well as a series of short pre-employment courses some of which can now be provided through Council contracted services. Members may want to consider continuing and indeed extending Work Club provision or other priority for the use of the Fund. It is suggested that a further Report compiled in conjunction with Lochaber based Employability staff and Ward Manager be brought to the Area Committee in November with specific proposals for the 2014-15 Financial Year.

6. Implications

- 6.1 Resource: The work of the Employability team is fully funded with additional European funding secured for its Create and Employ, Youth Trainee and Commissioned Services. The Service also has an overview of spend in partner programmes in Highland.
- 6.2 Risk: Continuing relatively high levels of unemployment particularly among young people has produced a range of responses from all levels of Government. Partner and Council resources need to be aligned and coordinated with economic growth in Highland. The Council has a lead responsibility in ensuring effective targeting and outcomes through Highland Works – the CPP Employability Partnership.
- 6.3 Equalities: The Employability Service seeks to remove the barriers that stop individuals from preparing for and entering the world of sustained employment. The cross Service and inter-agency approach adopted seeks to ensure that all involved receive the client centred service and support they require.
- 6.4 Climate Change: There are no significant Climate Change or Legal Implications arising from the Report.

7. Recommendations

7.1 The Committee is asked to:-

- i. note the information on employment, unemployment and service provision in the area;
- ii. comment on the provision of employability services in Lochaber;
- iii. decide how it wants to approach the distribution of the Priority Area Fund in 2014-15; and
- iv. agree that a report be presented to this Committee in November outlining specific proposals for the use of the fund in 2014/15.

Designation: Director of Planning and Development

Date: 12 August 2013

Author: Bob Mackinnon, Employability Team Leader, 01463 702044

References

Working for Growth: <http://www.scotland.gov.uk/Publications/2012/09/5609>
Report to PED Committee – 14 August 2013:
<http://www.highland.gov.uk/NR/rdonlyres/38CEFD25-1731-445C-9521-910A4C5B9784/0/Item10PED4913.pdf>

APPENDIX 1

STAGE 1 Referral/ Engagement	STAGE 2 Initial Needs Assessment	STAGE 3 Specialist Intervention	STAGE 4 Employability Training	STAGE 5 Accredited Training	STAGE 6 Work Placement	STAGE 7 Job brokerage + matching	STAGE 8 In-Work Aftercare
Partners introduce new clients to employability pipeline, completing Registration Form and starting Activity Plan.	Partners assess initial needs of client and agree key activities to be undertaken with them.	Partners deliver specialist services to client in line with Activity Plan (e.g. financial advice)	Partners deliver unaccredited core employability skills in line with Activity Plan.	Partners deliver range of accredited training including ECDL, food hygiene, Health & Safety; First Aid; Licenses etc.	Partners arrange a Work Placement with employer to gain client work experience	Partners focussed on engaging with employers, secure job vacancies + match job-ready clients to jobs	Partners support clients entering work to maintain job through site visits, practical + specialist support
Outreach Services; supported accommodation provision; rehabilitation services; Day Services; Job Centre; SDS;	Gathering client and social network information; past work experience; identify strengths and opportunities; Key Worker agreement; Individual Action Plan	Counselling and Rehabilitation; Financial Skills; Better off assessments; condition and behaviour management; self- awareness; social skills; housing provision.	Core literacy and numeracy; volunteering; team working supported placements; active routines and structure; job seeking; CV and interview skills.	Higher and Further Education; Short accredited courses; Entry Certificates and Licenses; Vocational & SQA courses.	Job Trials and work placements (unpaid); Trainee placements; national training programmes; job coaching.	Job search; wage incentives; recruitment services;	Induction; job coaching; skills development; managing change

Claimant Information by Ward

APPENDIX 2

Ward	Area	Job Seekers Allowance (Jun 2013)	Long Term Unemployed (Jun 2013)	Job Seekers Allowance 18-24 (June 2013)	JSA 18-24 Long Term (June 2013)	Disability Living Allowance (Nov 2012)	Employment Support Allowance (Nov 2012)	Incapacity Benefit (Nov 2012)	Income Support (Nov 2012)
12	Caol and Mallaig	69	20	15	0	430	185	85	95
22	Fort William and Ardnamurchan	148	70	20	10	640	340	145	170
		217	90	35	10	1,070	525	230	265

Latest Unemployment Rates	Ward 12 Caol & Mallaig	Ward 22 Fort William & Ardnamurchan	Highland	Scotland
Unemployment rate *	1.5	2.1	2.4	4
Long term unemployment rate **	0.4	1	1.1	1.9
Youth unemployment rate ***	2.8	2.5	4.5	7
Youth long term unemployment rate ****	0	1.3	1.7	2.6
* Percentage of resident working age population claiming Job Seekers Allowance ** Percentage of resident working age population claiming Job Seekers Allowance for 6 months or more *** Percentage of resident population aged 18 to 24 claiming Job Seekers Allowance **** Percentage of resident population aged 18 to 24 claiming Job Seekers Allowance for 6 months or more Source: Department for Work and Pensions date from NOMIS				

Employment by Sector				
Percentage of people employed in:	Ward 12 Caol & Mallaig	Ward 22 Fort William & Ardnamurchan	Highland	Scotland
Agriculture, forestry & fishing	5.7	2.4	1.6	2.6
Mining, quarrying & utilities	0.2	1.1	2.1	2.6
Manufacturing	19.9	4.7	6.5	7.5
Construction	5.9	6.1	6.8	5.7
Motor trades	2.4	1.3	2.2	1.7
Wholesale.	3.5	1.5	2.6	2.9
Retail	9.8	12.8	11.2	10.2
Transport & storage (inc postal)	5.6	4.3	5.1	4.1
Accommodation & food services	17.6	22.1	11.6	7.1
Information & communication	0.4	0.9	2	2.4
Financial & insurance	0	0.8	1.1	3.5
Property	1.5	2.3	1.7	1.4
Professional, scientific & technical	0.9	2.4	4.7	6.3
Business administration & support services	1.4	2.8	5.4	7.4
Public administration & defence	2.5	8.4	5.6	6
Education	12.3	6.6	8.2	7.8
Health	8	14.2	17.1	15.8
Arts, entertainment, recreation & other services	2.4	5.5	4.5	4.4
Source: Business Register and Employment Survey 2011				

Employment and Skills Service Provision

This note provides a brief description of a range of employability services in the Lochaber area.

Job Centre Plus (JCP) –

- Job Search - Advisor Support; Job vacancies database; Online support; Careers Advice; JCP Group Sessions
- Work experience - Work Experience; Mandatory Work Activity Work Experience; Apprenticeships;
- Internships
- Additional Support - Youth Employment Support; Work Clubs; Work Programme; Support Contract; Sector Based Work Academies.
- Volunteering – Work Together
- Enterprise - New Enterprise Allowance (including mentoring and financial support); Enterprise clubs; Self-employment guidance
- Flexible Support Programme - Discretionary funds; Support partnership work to tackle disadvantage.
- Work Programme – UK Government contracted Programme for longer term unemployed. Sub-contracted to Argyll & Bute and Lifeskills Central. Specific Highland or local data not available at this time.

Skills Development Scotland (SDS) –

- Opportunities for All – Scottish Government policy to provide a learning opportunity for all young people aged 16 – 19.
- Schools – Career coaching and curriculum development (CfE) in Skills for Life and Work
- Skills & Learning – Employability Fund Training Programmes
- Modern Apprenticeships – Training provision for MA's new starts c500 16-19yrs & 480 20+yrs. Year to June 2012.
- College Learning – New college Learning Programme providing up to 60 additional pre-vocational and vocational taster course for young people not in employment or learning (commencing January 2013)
- Community Jobs Scotland – 3rd Sector - 6 month employment and training programme (25 posts in Highland)

Highland Council -

- Employability Service – 1 Employment Support Advisers working with individual clients in conjunction with JCP & SDS;
- Commissioned and Grant funded Services – SHIRLIE Project; Barnardo's Works; New Start Highland; Work Clubs (Plantation; Colleege; Kinlochleven.
- Activity Agreement Programme – Informal learning programme for school leavers managed by ECS
- Council Trainee Programme – 6 month paid training / work experience programme – planned 66 places – 33 filled by end September -4 in Lochaber
- Create & Employ – Highland Council / Business Gateway offer of recruitment advice and wage support for new employees 51 job starts – 4 in Lochaber
- Graduate Placements – HIE and Highland Council both operates a graduate placement project giving financial support to businesses to recruit Interns.

DEPRIVED AREA FUND – STRATEGIC FRAMEWORK

Purpose

The primary purpose of this Fund and the key outcome sought is to widen participation in the labour market in targeted Highland communities. Allied to this and a secondary outcome sought, is to increase the skills and confidence of these targeted communities to take action themselves to widen participation in the labour market.

The Deprived Area Fund will therefore directly support the Council's Working Together for the Highlands Programme and associated Single Outcome Agreement.

Distribution of Funds:

The distribution of the Deprived Area Fund is based on the 15% of the “most deprived” datazones in Highland in the SIMD (2012). These are shown in Table One grouped together in Council Ward and Area Committee clusters. On this basis the proposed distribution of £440,000 for 2014-15 is show below by Area Committee groups.

Area Committee	No. of Datazones	£
City of Inverness Area	16	£160,000
Caithness & Sutherland Area	10	£100,000
Skye, Ross & Cromarty Area	13	£130,000
Lochaber Area	3	£ 30,000
Nairn, Badenoch & Strathspey Area	2	£ 20,000
Total	44	£440,000

Targeting:

The Deprived Areas Fund is relatively small compared with the level of overall need and therefore judgments will be required on how best to direct the funds to ensure impact recognising that there will be other competing and equally compelling needs. The Area Committees will have devolved power to determine the best use of the funds within the Strategic Purpose and Criteria set out by Planning and Development Committee. While the funds are allocated on the basis of SIMD datazones, spend need not be restricted to these areas. However, as the funds are allocated on the basis of SIMD datazones, spend should be focused on those datazones and proposals must demonstrate clear fit with the criteria, outputs and outcomes for these areas.

Specific Criteria:

In order that the Deprived Area Fund delivers on its twin outcomes of labour market participation and increased community skills and confidence, it is recognised that, as a minimum, specific criteria must be met:

- Criteria 1:
Effective targeting - proposals must respond to identified community needs (primarily within the identified datazones) including published statistics and evidenced community and client group engagement and consultation.
- Criteria 2:
Identified employability aims – proposals must have identified and evidenced employability outputs and outcomes.

- **Criteria 3:**
Proposals must complement and add value to other related services and programmes tackling poverty and inequality.
- **Criteria 4:**
Proposals must engage with local communities and build community capacity and leadership.

These criteria, together with further explanation and a technical assessment, will be used to evaluate any proposals.

Sustainability:

The Council recognises that tackling poverty and disadvantage requires sustained effort over time. The commitment of the funds will be initially for three financial years (2014/15, 2015/16, 2016/17) to allow Areas and projects to take a strategic approach to develop new or change existing usage. This period aligns with the Council's Preventative Initiative and ensuring alignment with this and other initiatives tackling poverty and disadvantage will be crucial to the impact of the Funds.

Eligible Activity:

Area Committees will be able to use the funds in one of or a combination of ways:

- Recurring funding to community organisations that meet the purpose and criteria requirements – to be governed by a service level outcome/agreement;
- Operation of a discretionary grant scheme for activities that meet the purpose and criteria but do not require recurring funding.
- Provision of additional levels of mainstream or contracted services for targeted groups or communities.

Outputs

Proposals will be required to demonstrate measurable outputs leading towards the outcome objectives of the Funds. These might include people –

- Engaging in job-seeking activity (specific to project – e.g. work clubs; job search; work preparation);
- Sustaining voluntary activity and work experience placements;
- Engaging in informal community learning / health management activity as a first step to employment
- Participation in accredited further education or training
- Obtaining employment

Process and Assessment:

To prepare for the inception of the new Deprived Area Fund from April 2014, each Area Committee will receive a Report before the end of 2013 outlining the terms of the funds and the existing position in their Area. This will enable them to determine how they want to deliver the funds in the longer term within the Strategic Purpose and Criteria agreed and address any transitional measures that are needed to affect changes. Where there is no current recurring expenditure Areas will be able to invite proposals or expressions of interest for 2014-15.

TABLE 1	Ward	Total Population (SAPE 2010)	Best-fit Working Age Population** (men 16-64, women 16-60 SAPE 2010)	Overall SIMD 2012 Rank
Data Zone Name				
Inverness Merkinch North	Inverness Central	709	425	32
Inverness South Kessock	Inverness Central	694	404	106
Inverness Merkinch East	Inverness Central	920	596	298
Inverness Central & Longman	Inverness Central	1,052	837	479
Inverness Merkinch South	Inverness Central	855	518	519
Inverness Merkinch Telford	Inverness Central	1,000	686	821
Inverness Dalneigh South West	Inverness Central	966	559	1,110
Inverness Central North West	Inverness Central	535	371	1,280
Inverness Dalneigh North	Inverness Central	709	403	1,581
Inverness Dalneigh Central	Inverness Central	838	484	1,833
Inverness Dalneigh West	Inverness Central	641	401	1,910
Inverness Raigmore North	Inverness Millburn	631	404	949
Inverness Hilton West	Inverness Ness-Side	638	390	796
Inverness Hilton South	Inverness Ness-Side	495	298	1,127
Inverness Dalneigh South	Inverness West	825	445	1,534
Ardersier	Culloden and Ardersier	933	539	1,726
Wick Pultneytown South	Wick	481	308	288
Wick Hillhead North	Wick	661	393	404
Wick South	Wick	725	437	578
Wick South Head	Wick	507	312	918
Wick Central North	Wick	557	277	1,231
Wick North Primary School	Wick	528	336	1,668
Thurso High and Low Ormlie	Thurso	843	536	1,339
Thurso North West	Thurso	570	332	1,564
Lybster	Landward Caithness	665	383	1,301
Dunbeath	Landward Caithness	758	460	1,799
Invergordon Strath Avenue	Cromarty Firth	496	288	375
Alness Kirkside	Cromarty Firth	639	390	688
Alness Teaninich	Cromarty Firth	906	531	970
Alness Firhill	Cromarty Firth	783	475	1,133
Invergordon Castle Avenue	Cromarty Firth	739	406	1,486
Alness Obsdale	Cromarty Firth	923	564	1,517
Invergordon Central	Cromarty Firth	632	386	1,831
Dingwall Central	Dingwall and Seaforth	752	446	867
Conon North	Dingwall and Seaforth	718	432	1,478
Seaboard South	Tain and Easter Ross	754	454	797
Milton & Kildary	Tain and Easter Ross	792	480	1,219
Tain South Rural	Tain and Easter Ross	899	537	1,854
Skye North East	Eilean a Cheo	584	356	1,991
Fort William Plantation	Ft William and Ardnamurchan	623	351	994
Fort William Central	Ft William and Ardnamurchan	630	416	1,623
Caol South East	Caol and Mallaig	818	485	1,735
Nairn South	Nairn	950	544	1,463
Nairn Moss-side	Nairn	541	357	1,481
		31,915	19,432	