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| Agenda Item | 9 |
| Report No | SRC 05/13 |

EMPLOYABILITY and DEPRIVED AREA FUND

Report by Director of Planning & Development

SUMMARY:

This Report provides a summary of employment and labour market information with a brief description of Employability Services provision in the Area. It also describes the revised Deprived Area Fund criteria and discusses the implications for the Area. Members are invited to agree the process for reviewing current activity and preparing a further Report recommending a strategy for the use of the Fund in 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 the kind of services that can support people to do so. Service provision involves a wide range of agencies – 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 of employability services. In Highland the main strategic body for coordinating services is the local employability partnership - Highland Works which includes Job Centre Plus; Skills Development Scotland; and the Council. Highland Works operates through a strategic body and a number of local network groups. A brief summary of that range of provision within the Skye, Ross and Cromarty Areas is given in Appendix 1a. The Area Committee will have an important role in providing leadership and scrutiny at a local level.

2. Area Information

- 2.1 Information about Unemployment Claimants at Ward level is provided in Table 1 of Appendix 2 to this Report. The unemployment rates are generally close to the Highland rate – though Ward 7 is above the average at 3.1%. However, Members will note that the numbers of long term unemployed (over 6 months) are relatively high in all Wards – 355 across the area. People who are long term unemployed are more likely to have been referred to the Work Programme and therefore ineligible for some locally delivered employment services.
- 2.2 The rates and numbers for youth unemployment are relatively high In both Wards 7 and 8 with over a 100 young people aged between 18 and 24 claiming JSA (of 180 across the Area). However, the percentages of young people who have been unemployed for more than 6 months are quite small reflecting the local partnership activity to provide pre-employment services for young people.
- 2.3 In addition to those claiming Job Seekers Allowance the recipients of Employment Support Allowance and Incapacity Benefit 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 (Appendix 2a). Members will note that the numbers of people on ESA/IB are higher than those currently on JSA (Table 2 Appendix 2a). At a national level a high proportion 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.
- 2.4 Members will also note that there are also significant numbers of people in receipt of Income Support (Appendix 2a). Income Support is extra money for those on a low income or who have none at all, people working less than 16 hours a week and not claiming as unemployed. 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 7).
- 2.5 Information about employment and economic activity is presented in Appendix 2b to this Report. This shows the percentages of people employed and the sectors in which they work by the Council Wards (The numbers are rounded to the nearest 100). This information is intended to show the existing pattern of employment, sectors where vacancies may occur and where there is demand from economic growth. This information is needed in the formation of Skills Investment planning to assist the ECS Service, Skills Development Scotland and Higher and Further Education institutions to plan services

3. Deprived Area Fund

- 3.1 The existing Deprived Area Fund (DAF) was instituted by the Council in the 2011/12 financial year. The operation of the Fund was reviewed by Planning and

Development Committee at its meeting in August and a revised approach was approved. The revised scheme is set out in Appendix 3 to this Report setting out the strategic purpose and criteria for the funding to achieve –

- Better alignment to the **Working Together for Highland** Programme, the Single Outcome Agreement and other anti-poverty measures;
- a revised distribution mechanism using the Scottish Index of Multiple Deprivation 2012¹ to identifying a larger number of areas of disadvantage within Highland;
- provision of funds for and devolved decision-making to all Highland Council Area Committees;
- a three year funding commitment to encourage development of strategic and pro - active approaches by Area Committees to tackling poverty and disadvantage along with other service provision.

3.2 The revised approach approved by PED identifies the 44 data zones that are ranked in the 15% most deprived data zones in Highland with 13 of these within the Skye, Ross and Cromarty Area. (Previously 17 within Highland – 5 within the Skye, Ross and Cromarty Area.) This gives an allocation of £130,000 for the area in 2014-15 – the same as available in 2013-14 but with less constrained targeting and revised criteria.

3.3 As Appendix 3 illustrates these datazones comprise 13% of the Total and the Working Age Populations but have over 20% of the Income and the Employment Deprived Populations (27% - 2135 / 4,390 individuals and 26% - 1,160 / 4,390 individuals respectively). The datazones shown in Appendix 3 have been grouped into “locality” areas, however, Members will note that there are other datazones that do not fit within the 15% criteria but have very similar characteristics particularly numbers of income and employment deprived that are not far short of those identified by this method. This reinforces the approach of not being over prescriptive about tight geographic targeting and using an approach that prioritises these areas but is not exclusive to them.

3.4 The Planning and Development Committee have made a three year commitment to sustain the funding to enable a more strategic approach to the use of the funds and to the management of change. The eligible activity and criteria have been amended as shown in Appendix 3 with clearer “output” measures defined. However, the criteria of empowerment through community engagement and adding value to existing provision or attracting external funding remain important aspects of the funding. The need to complement other activity tackling poverty and disadvantage is also a key factor in shaping how the funds are used.

3.5 The existing Deprived Area Fund in the Area has been mainly focused on the supporting the Alness Youth Development Team, now part of High Life

¹ The Scottish Index of Multiple Deprivation identifies small area concentrations of multiple deprivation across all of Scotland in a consistent way.

Highland. Support is also provided to local community organisations in Milton, and Balintore. In 2013-14 assistance has also been given to High Life Highland to introduce 2 Community Support Officers (1.5fte) and an additional part-time post working with school leavers who are unemployed. Members will note that the Employability Service also supports other activity in the area and the new Deprived Area map usefully aids the targeting of adviser and other funded activity including Work Clubs and pre-employment courses.

3.6 The three year timeline allows for a planned approach to the use of the Fund and to managing change. Nevertheless there is a need to promote the Fund with the relevant communities and to enter a dialogue with them about this and other community development initiatives for 2014-15. Similarly there is a need to engage with partners and undertake a mapping of existing and proposed community initiatives.

3.7 In order that the interest in community initiatives can be assessed it is proposed that initial applications / expressions of interest be invited for the Fund using the Council's Single Grant process. A public notice will be placed with a closing date of 2nd January 2014 for submissions to be received. It is then proposed that the mapping of other initiatives, the appraisal of existing community activity and the applications be considered by Council Officers and Partner organisations to formulate a strategic approach to the use of the Fund and prepare recommendations for a Report back to the Area Committee for its first meeting in 2014.

5. Implications

5.1 Resource: The Planning and Development Committee has given a three year commitment to the Deprived Area Fund. The Funds have often been able to "lever" funds from other sources – providing added value to community activity.

5.2 Risk: Some of the community based activity carries some risk in terms of the capacity of community organisations to manage staff and resources. The Fund is managed through the Council's Single Grants Programme Terms and Conditions. Advice and assistance is also given to community organisations receiving funds to manage these risks.

5.3 Equalities: The Deprived Area Fund seeks to assist community capacity building and remove the barriers that stop individuals from preparing for and entering the world of sustained employment.

5.4 Climate Change: There are no significant Climate Change implications arising from the Report.

5.5 Legal: There are no Legal implications arising from the Report.

6. Recommendations

6.1 The Committee is invited to:

- (i) Note the information on employment, unemployment and service provision in the area.
- (ii) Agree that applications to the Fund be invited by 2nd January 2014 and that these are considered by Council Officers and Partners to draw up Area based strategy for the use of the Funds to be brought to the Area Committee at the first meeting in 2014. .

Designation: Director of Planning and Development

Date: 14th October 2013

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| 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 Aff |
|--|---|---|---|---|--|--|--|
| 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 supply clients to meet job requirements on site practice 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; | Industry coaching; skills development; marketing character |

APPENDIX 1

APPENDIX 1a:

Employment and Skills Service Provision

This note provides a brief description of a range of employability services in the City of Inverness and

Job Centre Plus (JCP) –

- Job Search - Advisor Support; Job vacancies database; Online support; Careers Advice; JCP Group

- Work experience - Work Experience; Mandatory Work Activity Work Experience; Apprenticeships;
- Internships
- Additional Support - Youth Employment Support; Work Clubs; Work Programme; Support Contract; S
- Volunteering – Work Together
- Enterprise - New Enterprise Allowance (including mentoring and financial support); Enterprise clubs;
- Flexible Support Programme - Discretionary funds; Support partnership work to tackle disadvantage.
- Work Programme – UK Government contracted Programme for longer term unemployed. Sub-contra Central. Specific Highland or local data not available at this time.

Skills Development Scotland (SDS) –

- Opportunities for All – Scottish Government policy to guaranteeing employment or a learning opportunity
- Schools – My World of Work - work coaching and curriculum development (CfE) in Skills for Life and
- Post School – targeted provision of work coaching for young people who need some additional support Readiness; Skills & Learning – Employability Fund Programmes 2013-14.
- Modern Apprenticeships – Training provision for MA's new starts.

Highland Council -

- Employability Service – 3 Employment Support Advisers (2xEast Ross; 1xDingwall) work with individuals SDS;
- Commissioned and Grant funded Services – SHIRLIE Project; Barnardo's Works; Calman Trust; New
- Activity Agreement Programme – Informal learning programme for school leavers managed by ECS
- Council Trainee Programme – 6 month paid training / work experience programme (7 to date – further
- Create & Employ – Highland Council / Business Gateway offer of recruitment advice and wage support
- Graduate Placements – HIE and Highland Council both operates a graduate placement project giving recruit Interns.

| JSA Claimants by Multi-Member Wards (August 2013) | | | | | | |
|--|--|--------------------------|---|---|---|---------------------------------------|
| Ward No | Ward Name | All JSA Claimants | % of working age population claiming JSA | All Long Term Unemployment Claimants | % of population aged between 16 and pension age who are long term unemployed | JSA Claimants aged 18 and over |
| 6 | Wester Ross, Strathpeffer and Lochalsh | 84 | 1.2 | 45 | 0.66 | 10 |
| 7 | Cromarty Firth | 217 | 3.1 | 100 | 1.42 | 70 |
| 8 | Tain and Easter Ross | 125 | 2.4 | 65 | 1.23 | 35 |
| 9 | Dingwall and Seaforth | 155 | 2 | 40 | 0.53 | 30 |
| 10 | Black Isle | 68 | 1.2 | 30 | 0.52 | 15 |
| 11 | Eilean a' Cheò | 130 | 2.1 | 75 | 1.2 | 20 |
| | | 779 | | | | |
| | Highland | 2,997 | 2.2 | 1,360 | 1 | 690 |

Source: Department for Work and Pensions data from NOMIS – August 2013

Benefit Claimant Information

APPENDIX 2a

| Ward | Area | Disability Living Allowance (Nov 2012) | Employment Support Allowance (Nov 2012) | Incapacity Benefit (Nov 2012) | Income Support (Nov 2012) |
|-------------|---|---|--|--------------------------------------|----------------------------------|
| 6 | Wester Ross, Strathpeffer and Lochalsh | 560 | 225 | 155 | 115 |
| 7 | Cromarty Firth | 960 | 355 | 330 | 335 |
| 8 | Tain and Easter Ross | 645 | 210 | 205 | 185 |
| 9 | Dingwall and Seaforth | 685 | 280 | 215 | 205 |
| 10 | Black Isle | 365 | 120 | 90 | 60 |
| 11 | Eilean a' Cheò | 535 | 365 | 55 | 50 |
| | | 3,750 | 1,555 | 1,050 | 950 |

Source: Department for Work and Pensions data from NOMIS – August 2013

APPENDIX 2b

Source: Business Register and Employment Survey 2011

| People in Employment | | | | | | |
|--|--|----------------------------|--|---|-------------------------------|--------------------------------------|
| | Ward 6 Wester Ross, Strathpeffer and Lochalsh | Ward 7 Cromarty | Ward 8 Tain and Easter Ross | Ward 9 Dingwall and Seaforth | Ward 10 Black Isle | Ward 11 Eilean a'Cheo |
| People in area* | 4,400 | 5,600 | 2,300 | 5,800 | 2,200 | 4,500 |
| 0 people (job – part or full time employment) | | | | | | |

People by Sector

| People employed in: | Ward 6 Wester Ross, Strathpeffer and Lochalsh | Ward 7 Cromarty | Ward 8 Tain and Easter Ross | Ward 9 Dingwall and Seaforth | Ward 10 Black Isle | Ward 11 Eilean a'Cheo |
|--|--|----------------------------|--|---|-------------------------------|--------------------------------------|
| Agriculture, forestry & fishing | 6.4 | 0.1 | 0.5 | 1.1 | 5.1 | 1.9 |
| Energy & utilities | 0.7 | 2.1 | 0 | 1.4 | 0 | 1.5 |
| Manufacturing | 4 | 16.8 | 9.6 | 13.6 | 2.7 | 4.5 |
| Construction | 7.8 | 6.5 | 14.2 | 10.2 | 8.7 | 6.1 |
| Wholesale & retail | 1.5 | 0.9 | 1.3 | 2 | 1.4 | 1.1 |
| Accommodation & food services | 1.8 | 2.2 | 2.7 | 3.7 | 2.2 | 1.7 |
| Information & communication | 10.5 | 8.4 | 16.8 | 10.9 | 5.6 | 8.2 |
| Finance & insurance | 4.8 | 7 | 2.5 | 5 | 3.5 | 5.8 |
| Health & social work | 24.3 | 4.9 | 9.2 | 3.9 | 5.7 | 18.4 |
| Education | 2.9 | 1.9 | 1.3 | 1.2 | 1.7 | 1.8 |
| Transport & storage | 0.8 | 0.5 | 1.8 | 1 | 0 | 0.7 |
| Real estate | 0.9 | 1.5 | 3.3 | 0.4 | 0.6 | 2.7 |
| Scientific & technical | 4 | 4.8 | 6.7 | 4.5 | 9.6 | 3.3 |
| Administration & support services | 1.1 | 11.3 | 2.3 | 5.9 | 7.5 | 4.3 |
| Public administration & defence | 5.6 | 1.8 | 2.6 | 10.4 | 3 | 5.3 |
| Arts & recreation | 8.8 | 8.5 | 10.4 | 6 | 10.5 | 10.8 |
| Other | 8.8 | 17.4 | 11 | 14.6 | 26.7 | 17.7 |
| Government, recreation & other | 5.4 | 3.6 | 3.8 | 4.2 | 5.5 | 4.4 |

HIGHLAND COUNCIL DEPRIVED AREA FUND 2014 – 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 Priority Areas Fund is relatively small compared with the level of overall need and therefore judgement 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.

Reference:

<http://www.highland.gov.uk/NR/rdonlyres/45051D6F-25E8-4E4D-A185-18C9CA0CAEDC/0/SIMD1215mostdeprivedinHighlandmap.pdf>

SKYE, ROSS AND CROMARTY DATA ZONES IN THE 15% MOST DEPRIVED IN HIGHLAND -

| Data Zone | Rank in Highland | Data Zone Name | Ward | Total Population (SAPE 2010) | Best-fit Working Age Population** (men 16-64, women 16-60 SAPE 2010) | Income domain 2012 rate (%) | Number of Income Deprived People 2012 | Employment domain 2012 rate (%) | Number of Employment Deprived People 2012 |
|-----------|------------------|---------------------------|-----------------------|------------------------------|--|-----------------------------|---------------------------------------|---------------------------------|---|
| S01003924 | 5 | Invergordon Strath Avenue | Cromarty Firth | 496 | 288 | 34 | 170 | 30 | 90 |
| S01003923 | 30 | Invergordon Castle Avenue | Cromarty Firth | 739 | 406 | 22 | 165 | 18 | 70 |
| S01003919 | 40 | Invergordon Central | Cromarty Firth | 632 | 386 | 18 | 110 | 19 | 70 |
| S01003926 | 10 | Alness Kirkside | Cromarty Firth | 639 | 390 | 28 | 180 | 21 | 85 |
| S01003922 | 17 | Alness Teaninich | Cromarty Firth | 906 | 531 | 24 | 215 | 20 | 110 |
| S01003928 | 21 | Alness Firhill | Cromarty Firth | 783 | 475 | 21 | 160 | 23 | 110 |
| S01003931 | 31 | Alness Obsdale | Cromarty Firth | 923 | 564 | 18 | 170 | 18 | 100 |
| S01003907 | 14 | Dingwall Central | Dingwall and Seaforth | 752 | 446 | 28 | 210 | 20 | 90 |
| S01003884 | 28 | Conon North | Dingwall and Seaforth | 718 | 432 | 19 | 135 | 16 | 70 |
| S01003937 | 12 | Seaboard South | Tain and Easter Ross | 754 | 454 | 28 | 210 | 24 | 110 |
| S01003935 | 22 | Milton & Kildary | Tain and Easter Ross | 792 | 480 | 23 | 180 | 19 | 90 |
| S01003940 | 42 | Tain South Rural | Tain and Easter Ross | 899 | 537 | 17 | 155 | 20 | 105 |
| S01003911 | 44 | Skye North East | Eilean a Cheo | 584 | 356 | 13 | 75 | 16 | 60 |
| | | Data Zone Totals | | 9,617 | 5,745 | | 2,135 | | 1,160 |
| | | Area Ward Totals | | 72,200 | 42,885 | | 7,990 | | 4,390 |
| | | Data zones as % of Area | | 13 | 13 | | 27 | | 26 |