

THE HIGHLAND COUNCIL
PLANNING, DEVELOPMENT AND INFRASTRUCTURE
COMMITTEE

Agenda Item	10
Report No	PDI 44/14

5 NOVEMBER 2014

EMPLOYABILITY SERVICES

Report by Director of Development and Infrastructure

Summary

This report updates Members on performance with the delivery of the Employability Services Work Plan for 2014/15. It summarises the issues around the closure of the 2007-2013 European Social Fund (ESF) Programme and those emerging with the new 2014-2020 Programme as they impact on employability services. The need to call on the financial balances agreed in 2013/14 to bridge activity and expenditure between the two programmes is noted and delegated authority is requested for the Director of Development and Infrastructure, in consultation with the Chair, to finalise existing programme expenditure in 2014/15 and commit funds as necessary for the new ESF Programme.

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

1. Background

- 1.1 The Employability Report to the PDI Committee on 14th May 2014 outlined the work plan for the Employability service for the 2014/15 year including the potential variables that might arise in the course of the year affecting the budget outturn for the year. These included the possibility of further funding from Scottish Government through Youth Employment Scotland and the final position of the three year European Social Fund (ESF) financed Community Planning Programme (CPP).
- 1.2 The closure of the CPP Programme was the subject of Reports in September 2013 when the provision of an ear-marked balance £400,000 was approved by Finance, Housing and Resources Committee in anticipation of the need to bridge Employability funded activity between the closure of the 2007-2013 Programme and the beginning of the new 2014-2020 Programme.

2. Work Plan Progress 2014/15

- 2.1 A summary of progress and activity in the work plan is attached as Appendix 1 to this Report. In particular Members may wish to note:
 - the improving employment situation is bringing a reduction in unemployment, in particular the continued success of initiatives aimed at young people is reducing youth unemployment (18-24 JSA Claimants at

300 Sept.14). An improving economic situation is a good time to increase employment preparation activity as more jobs are available;

- the effectiveness of partnership working in supporting local networks and delivering local employability activity. While the events are well attended and appreciated by people and businesses alike, they are also the result of better understanding and joint working between services; and
- the increase in joint working within the Council Services and NHS in coordinating preventative measures tackling poverty and inequalities (See Appendix).

3. EU Funding 2007 – 2013 Programme

3.1 The EU funding from 2007-2013 has included a range of activity within the ESF Programme priority of Increasing the Workforce. Those activities in which the Employability Service has an interest are described below.

3.2 The Community Planning Partnership Programme for Highland has been managed by the Council and has been running since 2011. It includes:

- the Create and Employ Programme managed jointly by the Council and Business Gateway;
- the Council's Youth Trainee / Work Experience Programme (167 trainees to date); and
- employability support programmes (Try it Out and Work it Out), contracted programmes engaging unemployed people in learning and work preparation activity (47 short courses and 376 participants to date)

3.3 While the claim periods for these projects have been extended by Scottish Government, they all have reached the approved levels of expenditure and hence ESF support will finish by end October 2014. Although formally a three year programme, effectively the total expenditure on these projects has been incurred over the past two years as capacity has been built up. It is estimated that the final position will be expenditure of just over £2,000,000, with ESF support at 50 % (estimated at £1,038,740 ESF subject to final claims). This build-up effect is illustrated by the fact that current year gross expenditure on the ESF projects is around £1,400,000 with an equivalent of £700,000 match funding requirement. It will be important to ensure that this momentum is maintained as much as possible in the transition to new activity.

3.4 The 2007/2013 ESF Programme has also supported the Council's Activity Agreement programme managed by the Care and Learning Service with an approved total ESF value of £1,000,000 (60% ESF 2011-14). This programme has also reached the end of ESF eligibility and, given the close alignment with the Employability Service 'Go4It!' programme (engaging directly with young people before reaching school leaving age), it will form part of jointly funded activity for the remainder of this year and planning for the next programme.

3.5 During the period of the 2007-2013 ESF Programme a number of Third Sector organisations were also able to apply directly to Scottish Government for EU funding. Some used a combination of Council grants and/or charitable funding as match, bringing significant additional resources to services in Highland. As an illustration of this, the final round of approvals for ESF funding in 2012 approved projects totalling over £6m, with £3.9m of ESF funding to Third Sector organisations operating in Highland. It is understood that ESF

entitlement from the current Programme will also cease for 7 organisations - in some cases before the new Programme begins. Enquiries are continuing regarding the details and potential for further extensions or rundown of activity.

3.6 Members will appreciate that every effort is being made to maximise the drawdown of ESF grant in the 2007-2013 Programme across Council and third sector providers. However, as anticipated, the use of the set aside year-end balances will be required to sustain levels of Council activity and momentum until the start of the new Programme. It is also anticipated that requests could be received from third sector providers to bridge funding gaps before the new ESF Programme commences and/or to support rundown activity in a managed manner.

3.7 Members are therefore asked to consider delegating authority to the Director of Development and Infrastructure, in consultation with the Chair, to determine the use of the current year budget and balances once the outturn position on the 2007-2013 ESF Programme is known and consequences for existing activity identified.

4. EU Funding 2014 – 2020 Programme

4.1 Reports on the 2014–2020 EU Programmes were presented to full Council (26 June 2014) and to PDI Committee (20 August 2014). These confirmed that there will be an employability intervention within the new Programme, which will be managed as a CPP Programme with Local Authorities acting as Lead Agency.

4.2 As indicated in the Reports to Council and PDI Committee, there are a number of issues to be clarified in the allocations and in the management and delivery of the Programme. Council officers are engaged with partners and other local authorities in the detail of how the Programmes will operate and preparatory work within the Council to commission services anticipating a Programme start from April 2015.

4.3 As indicated in the PDI Report in August 2014 and in relation to the Employability Intervention, these issues include:

- integration of funding across the programmes, particularly with Business Competitiveness and Innovation; Skills Development and the Poverty and Social Inclusion Interventions;
- ensuring that delivery models and costing methodologies are appropriate to Highland circumstances;
- clarifying how Third Sector and partner organisations may enter the Programme;
- clarifying the legal and financial responsibility to be borne by project sponsors and the audit regimes that will be applied; and
- obtaining the necessary IT and systems to manage the programmes; and clarity in the national rules which govern eligibility of expenditure.

4.4 Scottish Government has been in discussion with COSLA about a distribution methodology to allocate the Employability Intervention funds across all local authorities. The methodology proposed is based on population weighted for Unemployment; Economic Inactivity; Long Term Unemployment; Low Skills Indicator; and Rurality. While it is intended that the methodology will apply

across Scotland, the Highland and Islands European Partnership has indicated that it may want to review these allocations within the ring-fenced Highland and Islands allocation.

- 4.5 The employability intervention within the 2014-2020 ESF Programme is titled Promoting Employment and Supporting Labour Market Mobility. It includes as priorities:
- access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility; and
 - sustainable integration of young people, in particular those not in employment, education or training, into the labour market.
- 4.6 While the Council's existing programmes and projects align well with this intervention and priorities, there are a number of refinements and improvements to activity that will need to be made. This will be based on experience to date and to ensure compliance with the new financial and audit regimes being introduced by Scottish Government linked to the Council's obligations as Lead Agency.
- 4.7 It is proposed that the Council's Employability Programme will include:
- Recruitment Incentives – measures to encourage businesses to employ people who have been unemployed. The current Create and Employ Programme is being externally evaluated to prepare for adjustments and refinements that might be included to improve targeting of the project to particular groups, young people, tackling inequalities and providing work with training.
 - Work Experience Programme – It is planned that public sector agencies would be invited to join a programme offering structured and mentored work experience for young people. However, the current programme is also being evaluated again with a view to improved targeting and training structure.
 - Preparation for Employment Activity – It is anticipated that the programme will continue to include contracted “pre-employment” activity targeted at people who are unemployed and seeking work. The current provision includes short-term confidence building; core skills; labour market activity and job search aimed to complement the national programmes. This will include provision that engages with young people in the 16-20 age group as well as specific target groups of adults experiencing barriers to employment. It is anticipated that much of this provision will be obtained through procurement, though further advice is expected from Scottish Government about Third Sector engagement in the Programme.
- 4.8 As with other aspects of the new Programme there are a number of issues to be clarified about allocations, eligible activities, management processes and Third Sector engagement. It is anticipated that more information will be forthcoming in the course of the next few weeks, particularly the Employability allocation that will be offered. However, it is anticipated that the detail will still require working on before commitment of funds. It is therefore considered that the new Programme expenditure will not commence until April 2015.

4.9 On the basis that any match funding requirement must be affordable and sourced from current / anticipated budgets, and that decisions may be required on the commitment of such funds before the next Planning, Development and Infrastructure Committee in February 2015, Members are asked to consider giving the Director of Development and Infrastructure, in consultation with the Committee Chair, delegated authority to commit match funding.

5. Implications

5.1 Resources

The proposals aim to manage the current year Employability Budget and closure of ESF funded projects within the 2014/15 Budget and the balance set aside in 2013/14 for this purpose.

5.2 Legal and Risk Management

The Council will carry significant legal responsibilities as Lead Agency for the programme. These will be managed within the Council's Policies and Financial Regulations.

5.3 Equalities

As indicated, the ESF Programme is intended to address inequalities in employment and will link closely with other measures addressing poverty.

5.4 Rural

Scottish Government allocation methodology has recognised particular cost factors associated with provision in sparsely populated areas. The Council's approach to commissioning will need to reflect the delivery challenges of rural areas.

5.5 Climate Change, Carbon Clever and Gaelic

There are no direct Climate Change/Carbon Clever and Gaelic implications.

Recommendations:

The Committee is recommended to:

- (i) Note progress on delivery of the Employability Services Work Plan in the current year.
- (ii) Delegate authority to the Director of Development and Infrastructure, in consultation with the Chair of the Planning, Development and Infrastructure Committee, to determine the use of the current year budget and balances; and to confirm Council match funding from the Employability budget for the new ESF Programme 2014-2020.

Designation: Director of Development & Infrastructure

Date: 24 October 2014

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APPENDIX 1

Highland Council Employability Service Work Plan 2014-15 Progress Report

<p>Employment Support Advisers - 14 Employment Support Advisers deliver a client centred service that assists people who are furthest removed from the labour market to be job ready and move into the world of work.</p>
<p>Providing 1 to 1 support to individual clients; attendance at Work Clubs; mentoring of Council trainees; work with school leavers and support to partnership events. Year to date - 92 new registrations; 80 leavers; 213 current client caseload; 150 intermediate progression activity; 130 outcomes (employment or accredited training).</p>
<p>Work It Out /Try it Out! - EU funded - part-time “pre-employment” events and courses aimed at building confidence and allowing people to consider their options and to progress onto mainstream employment or learning programmes.</p>
<p>47 pre-employment courses with 376 participants have to date been delivered throughout Highland (14 x Inverness, 11 x Easter Ross, 6 x Sutherland, 4 x Fort William, 4 x Nairn, Badenoch & Strathspey, 5 x Caithness, 3 x Skye).</p>
<p>Work Clubs - Support is offered for looking and gaining a job in conjunction with on-line IT access support, numeracy and literacy issues.</p>
<p>13 Venues supported in Highland; 19 sessions – average 217 attenders per week.</p>
<p>Youth Employment Initiatives – coordination of activity directed at assisting school leavers to obtain employment or further learning leading to employment or further education.</p>
<p>Implementation of Activity Agreement and GO4IT! school leaver programmes. Joint working has been developed this year to include some pilot work engaging directly with young people before reaching leaving age (not eligible for Activity Agreement) – and outreach work with disengaged young people as a precursor to the new programmes. Over 60 young people have been engaged in the pilot.</p>
<p>Youth Trainee Programme – 6 month paid training/work experience within different sectors within the Council.</p>
<p>23 trainees in Caithness & Sutherland, 28 in Easter Ross, 15 in Skye & Lochalsh, 6 in Lochaber, 105 in Inverness.</p>
<p>Deprived Area Fund – targeted funding to areas of disadvantage.</p>
<p>Support to 23 community organisations in Highland. Decision making devolved through Area Committees and regular reporting on local activity introduced.</p>
<p>Create & Employ – Highland Council/Business Gateway offer recruitment advice and wage support for new employees.</p>
<p>Since 1st April 2014, 151 businesses have accessed specialist recruitment advice and businesses have secured grant to employ 85 unemployed people.</p>

Local Employability Partnerships

Local employability partnership networks operate throughout Highland involving Council; DWP; SDS, UHI, Learning / Training providers, NHS, Third Sector and Voluntary Sector, working together to ensure alignment and coordination of partner activities through shared needs assessment; employer engagement and service delivery. The following joint events have been provided/planned to date in 2014:

Caithness Jobs Event – PPP, Wick – 8th February 2014

- 308 members of the public were recorded attending the event
- 36 local companies and organisations were present on the day to advertise vacancies

Caithness - 'Jobs & How To Get Them' event – Thurso, North Highland College UHI – 7th February 2015.

- Attended by school students and members of the public.

Sutherland Jobs Event Church Hall Golspie 27th February 2014

- 123 people recorded as attending (27 from Golspie High School).
- 67 individual evaluations completed and 27 company evaluations
- 30 exhibitors were invited, 27 attended, 20 of those being employers.

Skibo Careers Fair – Meet the Employer 12 March 2014

- Attended by The Carnegie Club and school pupils in the morning setting out the career opportunities available at Skibo
- The afternoon session was open to the general public – again highlighting career opportunities in hospitality and touring.
- Staff from other agencies available to assist with generic careers advice, applications, job search etc.
- Opportunities highlighted in greenkeeping, gamekeeping, forestry, gardening, trades, food & beverage, accounts, office administration, kitchen, housekeeping, retail, spa therapy, equestrian, guest liaison, I.T.

Aviemore Jobs Fair –The Hub, 15th May]

- Event targeted at 16 -24 year olds
- 20 stands, 8 employers & 12 providers
- Excellent networking event testing the needs of the community, employers, volunteering, Activity Agreements, C.V's & Job Search

Nairn Jobs Event, Nairn Community Centre, Nairn – 21st May, 2014

- Event targeted at employed/unemployed people
- 12 employers and 10 providers
- Practical advice available on the day, employers, volunteering opportunities, training, C.V's job search, college opportunities and business start ups

Easter Ross Jobs & How to Get Them Event, Avern Centre - 6th October, 2014

- 336 members of the public were recorded attending the event – 224 were S4, S5 & S6 from the 4 local schools
- 24 local companies and organisations were present on the day to advertise vacancies
- 8 local training providers to offer support, advice, guidance and training opportunities

Lochaber – Careers & Opportunities Fair – Nevis Centre - 12th November, 2014

Employers providing information on opportunities, different jobs and knowledge, skills and attitude to both schools and members of the public

Inverness –

Collaboration with DWP and Advice Services in wider Area;

Administration of Deprived Area Funds, including widening areas and organisations included.

Opening of three new Work Clubs