

Highland Community Planning Partnership

Community Planning Board – 7 October 2016

Employment: Annual Report 2015/16

Report by Director of Development and Infrastructure

Summary

The Report presents an annual review of delivery during 2015/16 and a brief commentary on associated activity in 2015/16.

1. Background

- 1.1 When originally prepared in 2013 the Single Outcome Agreement (SOA) recognised that Highland had historic high levels of economically active people and low levels of unemployment. Prior to the economic crisis in 2008 when the labour market was tighter, employers often turned to skilled and experienced migrant workers rather than to those workers who were unskilled and unemployed. Accordingly the challenge faced then was how to support those furthest removed to progress towards and into employment.
- 1.2 With the onset of the financial crisis, unemployment rose and the challenge changed from one which was focused on supporting those furthest removed from the labour market, to supporting all to secure work. In particular, the high numbers of young people unemployed was a key and high priority.
- 1.3 The improving economic climate and improved availability of jobs has therefore again changed the focus and the challenge has returned to supporting those who are furthest removed from the labour market. Allied to this has been a recognition and effort towards a better alignment between skills and employability activity to the current and growing needs of business. Work to this end is underway and while the SOA long-term objectives remain relevant (see below), the work undertaken to this end has evolved.
- 1.4 The SOA long-term outcomes are:
 - to widen participation in the labour market across all client groups and across all Highland geographies; and
 - to enable the regions' young people to have the opportunity to flourish and to contribute to the sustainable economic growth of the Highland economy.

2. Progress

- 2.1 **Appendix 1** details the SOA key performance indicators including baseline and trend data were available.

- 2.2 Progress has been made towards the long-term SOA outcomes. The data available to evidence this is however limited or incomplete. Key findings are:
- Labour market participation has been increasing and now the Highland employment rate stands at 83.2% up from 75.4% in 2012/13.
 - Over the period April 2013 to July 2016, unemployment has fallen from 3,703 to 2,020.
 - Local area labour participation information, and in particular very localised deprived area information, is either very difficult to interpret with confidence or is no longer available. Overall an improving situation but over past year employment rate in Invergordon TTWA has dropped below 2012/13 levels.
 - Youth unemployment has also seen significant and positive declines, with 400 young people now unemployed, down from 959 in 2012/13.
 - Young people continue to have good levels of positive destinations after leaving school with the annually improving situation, marginally dropping in 2015/16.

- 2.3 As reported to the Community Planning Board during 2015/16 work progressed on three key areas:
- maximising and aligning activity generated by the new EU Structural Fund Programme 2014-2020;
 - delivering the Developing Scotland's Young Workforce Agenda; and
 - Highlands and Islands (H&I) Skills Investment Plan and in particular, the Highland Action Plan.

2.4 EU Structural Fund Programme 2014-2020

Funding is secure for activity until end December 2018 and work is progressing with programme activity. The activity to be funded is:

- Positive Pathways: working with identified young people in the final stages of compulsory education and aims to provide continuity post school to ensure engagement in continued learning and progression towards employment or training opportunities post school.
- Work It out Programme: working with adults who have left full-time education who have little work experience, have barriers to employment and who need assistance to return to learning (short courses or learning activities) and the labour market;
- Recruitment Incentive: supporting micro SME's to recruit and provide employment for people who are unemployed and experience additional barriers to employment;
- Work Based Learning Programme: provision of a range of paid work based learning opportunities;
- A Partnership Programme with Third Sector providers delivering specialist end to end services for clients with multiple barriers to employment.

- 2.5 This programme of activity is more focused (as per paragraph 1.3) towards individuals who are furthest removed from the labour market and who face particular barriers in accessing and sustaining a place in the labour market. An example of the tightened focus of activity is that currently 14 young people

have started on the Work Based Learning Programme (6/12 month job with Council), seven of which are care leavers.

2.6 Developing Scotland's Young Workforce Agenda/ Skills Investment Plan
As reported previously to the Board, partner organisations across Highland (HC, HIE, SDS, UHI Inverness College/North Highland College/West Highland College/Sabhal Mòr Ostaig, together with the Chambers of Commerce, SCDI and FSB) have developed an approach to progress in an integrated manner the Highlands and Islands Skills Investment Plan and the Developing the Young Workforce.

2.7 A series of workstream action plans are being progressed by lead partners:

- **Broad General Education:** Council's Care and Learning Service
- **Senior Phase/Colleges:** Council's Care and Learning Service
- **Colleges:** North Highland/Inverness/West Highland Colleges
- **Employers:** 3 regional groups led by Caithness, Inverness and Lochaber Chambers of Commerce
- **Talent Attraction:** Highlands and Islands Enterprise
- **Equalities:** Council's Care and Learning Service
- **Apprentices:** Skills Development Scotland

3. Inverness and Highland City Region Deal

3.1 During the development of the Inverness and Highland City Region Deal, the Council took the opportunity to secure UK and Scottish Government commitment to the development of a Highland approach to employability and skills. Work is underway with a best practice review and proposals been drafted for how an Highland approach could combine Council and partner services and bring benefits and improved outcomes for individuals and businesses alike. This recognises there are twin objectives: ensuring that businesses get the right people with the right skills for the jobs available; and, ensuring that Highlanders have the right skills to compete for and sustain employment.

3.2 It is anticipated that this work will be developed over the coming months with outline and finalised business plans been prepared and agreed.

Recommendation

Note progress and activity underway.

Designation: Director of Development and Infrastructure

Date: 16 September 2016

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Appendix 1:

Outcome	Indicator	Improvement/Target	Baseline	Trend
To enable those who are currently removed from labour market, to move towards and into sustained employment	Employment rate (No. of people in employment aged 16-64 years as a percentage of the population aged 16-64 at the Highland level)	Increase	2012/13 75.4%	2013/14 74.0% 2014/15 78.6% 2015/16 83.2%
Improve equality of access to the labour market for all client groups, including disabled people	Employment rate (at Travel to Work Area)	Increase	See table below	Overall an increase but local reduction in Invergordon and Ullapool/Gairloch TTWA
	Number and percentage of working age population unemployed and living in Highland in the 15% most deprived data zones in Scotland	Reduce	2012/13 740 8.5%	Average claimant count during the year Figures are not available for 2013/14 onwards because of the introduction of UC: the UC count is not available for data zones
	Number and percentage of people supported into employment in Highland in the 15% most deprived data zones in Scotland	Increase	Data not available	
	Increased number of people who are furthest from the labour market taking up opportunities in CPP organisations through employment initiatives	Increase	Data not available	
	Disabled employment rate (Percentage of disabled population aged 16-64, divided by percentage of employed non-disabled population aged 16-64 (3 year rolling average (total/male/female)	Increase	Data not available	
	Percentage of ESOL learners attending classes to achieve accreditation achievement of	75%	Data not available	

	specified goals (including completion of courses) or progress to positive destinations			
	Percentage of Adult Literacies Learners move to positive destinations	10%	2014/15 12%	
Ensure that our young people and looked after children progress to further/higher education, training or employment Aim to ensure that every 16-19 year old seeking employment has the opportunity to access a modern apprenticeship or further education	Increase the number of young people leaving school moving into education, training or employment	Increase 3% per annum	91.8% (March 2013)	92.5% (March 2014) 93.9% (March 2015) 93.4% (15/16 annual rather than March snapshot)
	Reduction in the number of young people who are unemployed and seeking work (Youth Claimant Count – number/%)	Annual reduction	2012/13 959 5.7%	Average claimant count during the year (includes UC from December 2013 onwards) 2013/14 679 4.1% 2014/15 602 3.6% 2015/16 615 4.7%
Partners address significant inequalities in Highland through a coherent and individualised approach to post school transition for young people experiencing significant barriers to employment	Look after children leaving school moving into education, training or employment	Increase	Data not available	
	Increase attainment levels for children and young people from deprived areas, and increase the number from this group moving into	Increase	Data not available	

	education, training or employment.			
	Reduce the attainment gap between pupils with ASN and those without ASN	Reduce	Data not available	
	Reduce the attainment gap between boys and girls	Reduce	Data not available	

Employment Rate (Travel to Work Areas)

	Highland	Badenoch	Dornoch & Lairg	Invergoron	Inverness & Dingwall	Lochalsh	Skye & Lochalsh	Thurso	Ullapool & Gairloch	Wick
Apr 2012-Mar 2013	75.4	76.9	84.8	69.6	72.8	77.6	78.9	86.7	72.1	80.5
Apr 2013-Mar 2014	74.0	71.1	78.3	74.8	73.3	85.3	75.0	68.2	72.8	79.5
Oct 2013-Sep 2014	75.8	74.0	79.3	75.1	75.0	82.5	73.9	71.1	89.9	79.5
Apr 2014-Mar 2015	78.6	-	-	-	-	-	-	-	-	-
Apr 2015-Mar 2016	79.7	82.6	80.8	65	79.8	91.8	86.8	75.6	73	82

Confidence levels for TTWA figures vary and trends are not necessarily statistically robust.