

Committee: Highland Community Planning Board

Date: 4 October 2017

Report Title: Employment: Annual Report 2016/17

Report By: Director of Development & Infrastructure

1. Purpose/Executive Summary

1.1 The Report presents an annual review for 2016/17.

2. Recommendations

2.1 Note progress and activity underway.

3. Background

- 3.1 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. The improving economic climate and availability of jobs has ensured that since then the challenge faced and focus of activity is to support those who are furthest removed from the labour market to prepare for and access the world of work. 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. While the SOA long-term objectives remain relevant (see below), the work undertaken to this end has evolved.
- 3.2 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.

4. Progress

- 4.1 **Appendix 1** details the SOA key performance indicators including baseline and trend data were available.
- 4.2 Progress has been made towards the long-term SOA outcomes. The data available to evidence this is however limited or incomplete. Key findings are:
- While down in 2016/17, labour market participation has been increasing over the period and now the Highland employment rate stands at 79.8%% up from 75.4% in 2012/13.
 - Over the period from April 2013 unemployment has fallen from 3,703 to 1,110 (as measured by the number of Job Seekers). However, once Universal Credit claims (principally for reasons of being unemployed) is factored in, this number increases to 3,115.
 - 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.
 - Youth unemployment has also seen significant and positive declines, with 400 young people now considered as being unemployed, down from 959 in 2012/13.
 - Young people continue to have good levels of positive destinations after leaving school with an improving situation since 2013 but with marginal declines in 15/16 and 16/17.
- 4.3 During 2016/17 work progressed on three key areas:
- maximising and aligning activity generated by the new EU Structural Fund Programme 2014-2020;
 - Highlands and Islands (H&I) Skills Investment Plan and in particular, the Highland Action Plan.
 - Inverness and Highland City Region Deal.
- 4.4 EU Structural Fund Programme 2014-2020
With EU funding secure for activity until end December 2018, work has progressed with programme activity:
- Positive Pathways: working with identified young people who have just left school but are not in education, training or work. This programme aims to

provide continuity post school and engage the young person in either continued learning or progression towards employment.

- Work It out Programme: working with adults 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 targeted to young people at risk of not progressing to work, education or training after leaving school;

A Partnership Programme with Third Sector providers delivering specialist end to end services for clients with multiple barriers to employment.

4.5 This programme of activity is targeted 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 36 young people have started on the Work Based Learning Programme (6/12 month job with Council), 7 of which are care leavers. Allied to the Council's recent commitment to employ 150 Modern Apprenticeships over the next 2 years, work is ongoing to create pathways between the Work Based Learning Programme and some of these MA job opportunities.

4.6 Skills

Under the Highland Works partnership umbrella, 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) had developed an approach to progress in an integrated manner the Highlands and Islands Skills Investment Plan and the Developing the Young Workforce.

4.7 During the year activity across a series of workstreams was undertaken:

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

4.8 The Highland Works partnership undertook an internal review in spring/summer 2017 to better identify and undertake added value activity that could be progressed. The outcome has identified a need for a continued integrated skills and employability agenda but recognition that a focus on a small number of actions would better service partners when undertaking their work. One example is the recent commencement of the Caithness and North Sutherland Skills Investment Plan – the resulting evidence and actions will inform a range of partner actions. In this context Skills Development Scotland, as commissioning body, is a key community planning partner progressing the skills agenda at both a Highland and sub-Highland level.

5. Inverness and Highland City Region Deal

- 5.1 During the development of the Inverness and Highland City Region Deal, the Council secured a UK and Scottish Government commitment to the development of an innovative Highland approach to employability and skills. Following the completion of an independent expert best practice review, and proposals prepared for how an Highland approach could combine Council and partner services and bring benefits and improved outcomes for individuals and businesses alike, two service development proposals have been prepared/submitted for Scottish Government. As both have been unsuccessful, efforts are underway to establish with both Government's the anticipated scope of project/initiative envisaged before further work is undertaken.

Designation: Director of Development and Infrastructure

Date: 25 September 2017

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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% 2016/17 79.8%
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	Statistical confidence levels makes trend analysis difficult.
	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 specified goals (including completion of courses) or progress to positive destinations	75%	Data not available	
	Percentage of Adult Literacies Learners move to positive destinations	10%	2014/15 12%	
Ensure that our young people and looked after children	Increase the number of young people leaving school moving into	Increase 3% per annum	91.8% (March 2013)	92.5% (March 2014) 93.9% (March 2015) 93.4% (15/16 annual

Outcome	Indicator	Improvement/Target	Baseline	Trend
<p>progress to further/higher education, training or employment</p> <p>Aim to ensure that every 16-19 year old seeking employment has the opportunity to access a modern apprenticeship or further education</p>	education, training or employment			rather than March snapshot) 93% 2017
	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% 2016/17 540 2.2%
<p>Partners address significant inequalities in Highland through a coherent and individualised approach to post school transition for young people experiencing significant barriers to employment</p>	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 education, training or employment.	Increase	Data not available	
	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)

	Badenoch	Dornoch & Lairg	Invergordon	Inverness & Dingwall	Lochaber	Skye & Lochalsh	Thurso	Ullapool & Gairloch	Wick
2012/13	76.9	84.8	69.6	72.8	77.6	78.9	86.7	72.1	80.5
2013/14	71.1	78.3	74.8	73.3	85.3	75.0	68.2	72.8	79.5
2014/15	-	-	-	-	-	-	-	-	-
2015/16	82.6	80.8	65	79.8	91.8	86.8	75.6	73	82
2016/17	85.7	74.9	82.4	80.6	80.1	-	86.2	78.2	67

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