
Report to Enterprise and Environment Committee

Date of Meeting: 15 January 2015

Subject: Economic Development Update

Report by: Head of Development and Environment

1.0 Purpose

- 1.1. This report updates members on the range of activities undertaken by the Council's Economic Development team both directly and in partnership with other Council Services, external agencies and the local business community to bring investment and jobs to the area and to link these to unemployed residents.

2.0 Recommendations

It is recommended that Committee notes the report, while commenting and challenging the activities and performance as appropriate.

3.0 Considerations

- 3.1 The Council's Economic Development team, through its employability service **Clackmannanshire Works**, continues to support local people and businesses through a range of programmes/activities:

European Structural Funds Clackmannanshire Works Programme

- 3.2 The European funded element of the Clackmannanshire Works programme will end on 31 December 2014.
- 3.3 The Council has recently been notified that the potential European Social Fund allocation in the new European programme (2014 - 2020) is £1.34m over 6 years, made up of £1.12m for Employability Pipelines and £0.22m for Poverty and Social Inclusion. The service is working with Scottish Government to develop a programme to be delivered under the new European Social Fund. Details will be provided at a future Enterprise and Environment Committee.
- 3.4 During the gap period between the two programmes the Economic Development service has made contingencies to continue to support local residents and businesses within the resources it has available.

3.5 Progress against targets for the overall Clackmannanshire Works European programme up to 31 October 2014 is shown below.

CLACKS WORKS TARGETS AND PROGRESS 2011-14			
Indicator	Target	Progress to Date	Comments
Number Supported European Social Fund only	1375	1233	Currently projecting a potential shortfall of around 75 participants.
Number Supported Total for entire Structural Funds Programme	-	1797	The European Regional Development Fund programme does not have a target but the total figure shows the significant numbers of additional participants when both programmes are reported.
Into employment European Social Fund only	400	393	Target likely to be met or exceeded slightly.
Into Employment European Regional Development Fund Only	325	425	Target exceeded. Includes 139 participants into self-employment
Into employment Total for entire Structural Funds Programme		562	To add the targets and achievements for both Structural Funds programmes would be misleading as a number of participants could be counted twice. The total figure shows that 562 of the 1797 residents supported through both programmes entered employment or self-employment.
Achieved a Full or Partial Qualification and/or Entered Education or Training - European Social Fund only	629	306	New indicators following redefinition discussion with Scottish Government. Target unlikely to be achieved due to higher numbers entering employment. In addition, a further 147 clients ,who also went into work, achieved a qualification and are not included in the Progress to Date figure of 306 as we can only claim the higher job outcome.
Number of Enterprises Supported - European Regional Development Fund only	215	216	Target exceeded for ERDF. In addition during the same period Economic Development has supported a further 136 enterprises of all sizes.

3.6 It is anticipated that most targets will be met or exceeded, some by a considerable margin, by the end of December 2014. There is likely to be a shortfall of around 75 in the total number of participants supported through the European Social Fund, although 95% of this target has been achieved. Although disappointing, this is still a significant achievement and a reflection of the fact that there have been a higher number of participants needing more intensive and time consuming support than anticipated. The table does not include outcomes for the CTSI project as these are currently being reconciled.

Youth Employment Scotland Fund (YES)

- 3.7 This is Scottish Government and ESF funding which enables all local authorities to offer an employer recruitment incentive to create new jobs for young people. In August, the age criterion for YES was extended from 16 - 24 year olds to 16 - 29 year olds.

As at the end of November, we have supported 103 young people into YES funded jobs out of a target of 115. The percentage of young people sustaining employment on leaving/completing their YES jobs supported jobs is 56%. Those young people who are no longer employed on leaving/completing are able to access Clackmannanshire Works employability support to help them get back into work.

Initially, the focus of YES was to create jobs in the private sector. More recently, however, local authorities were able to use the funding to subsidise new Modern Apprentice opportunities and create fully funded work experience opportunities for vulnerable young people. To date, YES funding has subsidised 5 Modern Apprenticeship opportunities in the Council and provided fully funded work experience opportunities for 18 vulnerable young people across the Council in Land Services, Environment Services, Youth Services, Adult Day Care Services, Facilities Management, Economic Development and Education.

The YES funding is due to finish at the end of December 2014 when the ESF funding ceases, however Scottish Government is proposing to extend the programme to 31 March 2015 for local authorities who could co-finance further placements.

Clackmannanshire Apprenticeship Initiative

- 3.8 The service continues to track the Modern Apprenticeship (MA) achievement rates of this Council funded/Skills Development Scotland funded initiative which has supported the creation of 35 additional MA places in the private sector. As at end of November, 65% of leavers/completers have achieved their MA award with a further 18% achieving part of their SVQ. Eighteen MAs are still working towards their MA awards with 11 due to complete this year and a further 7 due to complete in subsequent years.

Skills Development Scotland (SDS) Funded Programmes

- 3.9 The service has a contract with Skills Development Scotland to deliver 21 **Modern Apprenticeship (MA) places** for 16 - 19 year olds in 2014/15. Up to the end of November, we have recruited 14 MAs and we are on course to deliver the remaining 7 places by the end of March 2015. This is in addition to supporting 21 MAs who started in previous years. Twenty out of the 35 MAs we currently support are employed by the Council and 15 by other employers locally.

Under our other SDS contracted programme, the **Employability Fund**, we have 42 vocational training opportunities for young people and unemployed adults and have filled 29 places to the end of November.

Each year, Economic Development has to bid to Skills Development

Scotland for funding to deliver Modern Apprenticeship and Employability Fund places and we are currently in the process of preparing our bids for 2015/16. Contract awards will be announced sometime in March 2015.

Clackmannanshire Forth Coastal Project

- 3.10 This initiative is aimed at delivering environmental improvements and training and employment opportunities and is fully funded (£230,000) through the Big Lottery with additional match funding of £140,700 from external partners. Having helped host organisations to recruit suitable candidates to the opportunities created through the project, the service is now providing monitoring support to the 12 individuals still in placement to ensure they receive the training agreed as part of their Individual Action Plans.

There is scope within the project budget to create some additional employment and training opportunities and officers are currently in the process of identifying these opportunities.

Community Benefits

- 3.11 The Council uses community benefit clauses to secure apprenticeships and local employment and training opportunities as part of its contracting processes. Through Clackmannanshire Works, the Economic Development service supports Council contractors to fulfill their community benefit commitments whilst providing the service with opportunities for our clients.

Since reporting to the last Enterprise & Environment Committee in September, we have supported 2 contractors to recruit local people. Firstly the LTM Group Ltd, who are undertaking masonry repair works in the Hillfoots Historic Kirkyards and Alva Ice House as part of the Ochils Landscape Partnership initiative, have provided 6 month training opportunities in building conservation for 7 young people which may lead to apprenticeship opportunities. Secondly PH Jones, the contractor for the Council's Central Heating Replacement Framework, took on a Gas Installation and Maintenance Apprentice who was one of our Employability Fund trainees.

From the latest data available, the following table summarises the number of participants, across the various programmes delivered by Clackmannanshire Works, who have entered employment / self-employment, Modern Apprenticeships or Training / Work Experience places.

TABLE SUMMARISING RANGE OF EMPLOYMENT AND TRAINING OPPORTUNITIES CREATED BY VARIOUS COUNCIL INTERVENTIONS

Time Frame	Programme	Number entering Employment or Self Employment	Number entering or continuing a Modern Apprenticeship	Number entering a Training or Work Experience Place
July 2011 - Oct 2014	Clackmannanshire Works - European Structural Funds	562		447
June 2013 - Nov 2014	Youth Employment Scotland Employer Recruitment Incentive	103		
Jan. 2013 - Nov 2014	Clackmannanshire Apprenticeship Initiative		35	
April 2014 - Nov 2014	Modern Apprentice Programme		35	
April 2014 - Nov 2014	Employability Fund Programme			29
June 2013 - Nov 2014	Clackmannanshire Forth coastal Project	12		
Jan. 12 - Nov 2014	Community Benefits from Council Contracts	27	13	67

3.12 The Economic Development service has also provided support through a number of ***other programmes***:

3.13 **Supplier Development Programme (SDP)**

This is a local authority partnership programme established to help small and medium sized enterprises (SMEs) tender for public sector contracts by providing a programme of training and information events. Under the banner of SDP, Economic Development and Procurement Officers in all 3 Forth Valley local authorities organised for the first time a Forth Valley 'Meet The Buyer' event on 6 November, 2014. The event took place in Alloa Town Hall and attracted 90 attendees from businesses across the Forth Valley and beyond.

Over the past year, the SDP has undergone a transformation process which, among other things, has seen the Programme move from Glasgow City Council to its new host council, South Lanarkshire. New Councils and partners have joined the Programme and a new national team has been formed to lead the company forward. The SDP will be introducing a digital events programme to complement its face-to-face events programme which is currently under review.

3.14 **Economic Outcomes Programme**

The Council has recently signed up to the Economic Outcomes Programme: Phase 2 which was originally established in 2012 with funding from the Scottish Government and the Improvement Service to provide a range of practical support, assistance and challenge to Councils and CPPs in achieving the objective of maximising the economic impact of the public sector. The second phase of the Economic Outcomes Programme will look beyond Council services to work with the wider public sector, through the CPPs, in understanding economic footprints and increasing impact.

3.15 **Business, Jobs and Skills Partnership Team (BJSPT)**

The BJSPT of Clackmannanshire Alliance is now working on reviewing its action plan to take account of the priorities set out in the recently completed Local Employability Strategy. A particular focus on strengthening the links between local employees and the Council's Education service is under discussion, so that school leavers have relevant skills. A Business Survey was undertaken, through 'Imagine Alloa' to inform all partners of the needs of local business. Around 100 businesses (25% of those surveyed) responded. The outcomes are somewhat skewed as few larger scale employers and a high percentage of retail businesses responded. However, the findings show that :

- Finance (cash flow and access to funding) is a particular concern.
- Recruitment of skilled staff and lack of marketing skills are the second highest areas of concern.
- Parking concerns in Alloa are noted.
- One third of businesses envisage their property requirements changing within 3 years and 73% intend to remain in Clackmannanshire. For those that would consider moving, the main reasons are road / traffic access, Broadband, Local Authority regulation, lack of skilled workforce /

employment.

- The advantages of being located in Clackmannanshire focus on the Central Scotland location and comparatively low cost rent.
- Suggested improvements to attract businesses to Clackmannanshire are wide and varied, but staff skills training funding / incentives to attract investment, broadband, traffic / parking, rates and government regulations all feature.
- 60% of respondents do not consider that school leavers skills match employers needs, and concern is expressed around the lack of basic communication / interpersonal skills.
- 93% of the businesses that have relocated or expanded in to Clackmannanshire in the last 5 years are happy with the decision.

3.16 Clackmannanshire Business

Tourism is a focus for Clackmannanshire Business this year. The ongoing 'Imagine Alloa' marketing campaign for Clackmannanshire specifically includes a 'Better for Tourism' approach. A Tourism Strategy and Action Plan has been completed and Discover Clackmannanshire is working on delivery of two key events next year - a high profile whisky event in May celebrating the influence of Clackmannanshire on the global whisky industry and a food and drink event in September to tie in with the national 2015 Food and Drink theme.

3.17 Ochil Landscape Partnership

The OLP project has been extended, with the agreement of the Heritage Lottery Fund, to 31st March, 2015. This enables remaining projects to be completed. There is no financial implication to the Council for any additional staffing costs as these will be covered by existing funding for the project. The OLP is reviewing its future delivery model to deliver its operations including charitable organisation status. A Business Plan is being prepared to provide options for future project delivery and this will be completed in February 2015. The Council is the managing authority for the current project. Any future role for the Council from 1st April, 2015 will need to be considered and a report to the Enterprise and Environment Committee will be prepared to advise the future of the OLP and any Council involvement.

4.0 Resource Implications

4.1 *Financial Implications*

4.2 There are no financial implications with this report.

4.3 *Staffing Implications*

4.4 There are no staffing implications with this report.

5.0 Reports

5.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

6.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

7.0 Equalities Impact

7.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No

8.0 Legality

8.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

9.0 Appendices

9.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

10.0 Background Papers

10.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

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Approved by

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