
Report to: Enterprise & Environment Committee

Date of Meeting: 15 January 2015

**Subject: Clackmannanshire Local Employability Partnership
Employability Strategy Final Report**

Report by: Head of Development & Environment

1.0 Purpose

- 1.1. The purpose of this report is to provide an overview of the Clackmannanshire Local Employability Partnership (LEP) Employability Strategy Report. The report highlights that for employment to continue progressing and deliver positive outcomes, a change in strategic direction is required or performance will start to decline.
- 1.2. The report also details the current labour market statistics for Clackmannanshire in Appendix B, to provide context detailing current employment within the Local Authority area.

2.0 Recommendations

It is recommended that Committee:

- 2.1. Note the production of the Clackmannanshire LEP Employability Strategy 2014 Report;
- 2.2. Note the Council as a key local employment partner will take forward a series of actions set out in the employability strategy to support and contribute towards the delivery of positive employment outcomes and that the future direction of Clackmannanshire Works will be realigned to reflect these priorities.
- 2.3. Agree the 2 key priority programmes for the Council to deliver under the employment strategy, subject to Council approval would be :
 - (i) the expansion of a modern apprenticeship programme within the Council, employing 16-24 year olds throughout Council services.
 - (ii) to build on the positive destination programme for our school leavers, to increase the number of school leavers moving and sustaining positive employment, study and career destinations.

- (iii) note a further report detailing the proposed activity outcomes and objectives to deliver the 2 key programmes set out in 2.3 above will be brought back to a future E& E Committee.

3.0 Considerations

Background

- 3.1. The Clackmannanshire LEP recently commissioned Rocket Science (with Blake Stevenson) to produce a new Employability Strategy for Clackmannanshire for the period 2014 - 2017, building on the achievements of the last strategy which was produced in 2010.
- 3.2. During the course of developing the strategy a wide range of stakeholders were spoken with whose views have influenced the shape of the strategy. In addition, the workshops were facilitated with members of the Business Jobs & Skills Partnership, the Opportunities for All Partnership and the LEP to share with them early findings and explore options for going forward.

Main Findings

- 3.3 From analysis of the economic, employment and unemployment trends, exploration of the wider Scottish and UK policy context for the strategy, and review of the performance of employability services and programmes since 2008, a number of significant issues and trends were identified.

The main findings are :

- Clackmannanshire has made exceptional progress in terms of regeneration and improving transport links. However, the recession has had a particularly significant impact on the economy and jobs in Clackmannanshire and has opened up a gap with the Forth Valley and Scottish levels of unemployment. ***Without greater investment in employability or a significant change in what is being done (or both), there is little to indicate that these trends can be reversed.***
- There is a ***shortage of local jobs*** for those seeking work in Clackmannanshire and this gap is growing.
- The scale and depth of the problem ***requires a sustained strategic response of scale across Council departments and partners*** in order to make the kind of impact that is needed.
- This needs to be accompanied by ***even closer working relationships between the employability service and employers*** with a sustained focus on understanding the current and emerging skill and recruitment needs of businesses and ensuring the match between these requirements and the skills, attitudes and behaviours of candidates is assured.
- The small scale of the population means that it is possible to make a significant impact on the problem with a ***focused effort on priority groups***. For example, if a small increase of school leavers last year had

achieved positive outcomes, Clackmannanshire would move from bottom quartile to the top quartile in the list of Local Authorities in terms of positive outcomes achieved by school leavers.

- There is consensus among partners that a priority remains on action to help **young people** find fulfilling and sustainable work. The publication of the Wood Commission Final Report, "Developing Scotland's Young Workforce", provides a clear focus for taking forward an approach on school/work transition and there are areas which the LEP could take a lead on.
- The difference between the current numbers of Modern Apprentices and the number that would be justified by Clackmannanshire's share of youth unemployment is locally significant and **there should be a sustained effort to increase the number of young people in Clackmannanshire moving to Modern Apprenticeships.**
- Clackmannanshire Works is a significant and well-appreciated part of the employability landscape of support. It is important that it feels confident it is **devoting time and effort to those clients to whom it can make the most difference** in order to maximise its impact.
- The performance of the **Work Programme** is not significantly worse than in many other areas of Scotland but 81% of the people entering the programme complete the programme two years later no closer to work - and many will be further away with perished skills and damaged confidence.
- Since most businesses in Clackmannanshire are **micro-businesses** (ie employ fewer than 10 people) there is a need to ensure appropriate support is in place to help them grow through recruitment.

Proposed Workstreams

3.4 Based on the above findings, 4 workstreams have been developed :

1. **Driving the strategic focus** - the aim of this workstream is to build on the partners' recognition of the scale of the issue and the depth of the problem and reinforce the importance of cross Council and cross agency working. This will have a particular focus on young people and those who are long-term unemployed or at risk of long-term unemployment. The main task will be to fully realise the potential employability role of all front line staff who engage with clients who are unemployed.
2. **Working at a wider scale** - there is a significant local jobs gap and many young people and others seeking work will need to widen their job search area and even move away (temporarily or permanently) if they are to gain fulfilling work.
3. **Placing employability firmly in the context of business growth** - the employability service in Clackmannanshire will best help its clients by developing an even stronger focus on the needs of employers and

wherever possible ensuring that businesses get the recruits they need, when they need them.

- 4. *Enhancing and managing performance*** - how to get improved performance out of existing service provision and resources - and how to actively manage this performance. One of the issues here is how to focus resources on those clients for whom support can make the most difference and ensuring that there is collaborative effort across services around those clients furthest from work.

Priority Groups

3.5 From the analysis of scale and need, the consultants identify five priority client groups which they suggest we should focus and align support around:

- Young People to minimise the number becoming unemployed.
- Those less than 12 months unemployed who are vulnerable to long-term unemployment.
- Those for whom work is a realistic medium or long-term objective but require a complex array of support to get there.
- Those on Work Programme who need additional support, or emerging from the Work Programme still unemployed.
- Tenants of the Council who are most affected by changes to Welfare Reform.

3.6 A draft action plan, to be developed further into a forward plan is shown in Appendix A of this report.

Implications for the Council

3.7 The employability strategy report has potentially wide ramifications for the Council. The Council will seek to support as many key activity areas set out in the Employability Strategy Action Plan as it can, to deliver positive employability outcomes. In particular, the Council will focus resource on the delivery of 2 key programmes : the increased delivery of a modern apprenticeship programme within the Council, for 16-24 years olds in a range of apprenticeships and a positive and sustained destination programme to take forward positive destinations for school leavers taking account of the recently published Wood Commission Report.

4.0 **Financial Details**

4.1 Subject to Committee supporting the Employability Strategy, in particular the Council focussing on developing two key programmes of modern apprenticeships and positive destinations for school leavers, the financial implications will be set out in a future paper to Council & Enterprise and Environment Committee Yes

4.2 Finance have been consulted and have agreed the financial implications as set out in the report Yes

5.0 **Staffing**

5.1 *There are no staffing implications with this report.*

6.0 **Exempt Reports**

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

7.0 **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	<input checked="" type="checkbox"/>
Our communities are more cohesive and inclusive	<input checked="" type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input checked="" type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

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

8.0 **Equalities Impact**

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

9.0 Legality

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

10.0 Appendices

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

Appendix A : Draft Employability Action Plan

Appendix B : Labour Market Update

11.0 Background Papers

- 11.1 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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Appendix A

Workstream 1: Driving the strategic approach

The aim of this workstream is to build on the partners' recognition of the scale of the issue and the depth of the problem and reinforce the importance of cross Council and cross agency working. This will have a particular focus on young people and those who are long term unemployed or at risk of LTU. The main component will be fully to realise the potential employability role of all front line staff who engage with clients who are unemployed.

Rationale for theme	Actions	Priority client groups
<ul style="list-style-type: none"> Scale and significance of unemployment in Clackmannanshire Worsening position of the area relative to other areas and Scotland as a whole Significance of unemployment as a key influence on mental and physical ill-health and a driver of demands on a range of services 	<ul style="list-style-type: none"> Creating programme of joint staff development and networking for all those front line staff who engage with clients who are unemployed. Production of support materials including service guide to help accurate and timely referrals. 	Those facing multiple issues in making progress to work
	<ul style="list-style-type: none"> Carry out an employability audit to ensure that all organisations and services are achieving their potential to make an impact on unemployment. 	Enhancing support for all those seeking work
	<ul style="list-style-type: none"> Joining up support to help young people pursue successful school work transitions. 	Young people on school-work transition
Links to SoA Short Term Outcomes <ul style="list-style-type: none"> Improve attainment and aspirations for young people leaving our schools More residents say that public services in Clackmannanshire work well together 		

Action	Timescale	Suggested Lead	Output
1.1 Carry out cost benefit analysis of helping those furthest from work make progress into work. To be used in guiding Council invest-to-save approaches.	By March 2015	CC Finance and Corporate Services	<ul style="list-style-type: none"> Analysis of total service costs of supporting families with complex needs and comparison with cost of high quality employability support
1.2 Ensure all relevant front line staff are clear about the role they can play in the employability agenda and understand how to fulfil this role	By June 2015	CC Economic Development with SDS and DWP	<ul style="list-style-type: none"> Initial multi-service workshops to cover all front line staff working with priority clients. Review of assessment procedures to ensure that assessments contain all necessary information for identification of employability support needs

1.3 Produce guide to services to help front line staff refer quickly and accurately. This should build on SkillsMap.	By June 2015	FVC	<ul style="list-style-type: none"> • Clear identification of services by client need and stage. Online resource allowing regular updating.
1.4 Carry out audit of Council services to compare current action against best practice in maximising impact on employability	By June 2015	CC Economic Development	<ul style="list-style-type: none"> • Comparison of all services with good practice (eg Houghton Report) and identification of action to tackle largest gaps.
1.5 Develop multi-agency working pattern around priority clients furthest from work, starting with scoping options	By June 2015	CC Integrated Mental Health Services with NHS and CTSI	<ul style="list-style-type: none"> • Agreed 'account management' and • referral model to promote effective • progression to work
1.6 Expand Alliance Membership	By March 2015	CC Performance and Partnership Support	<ul style="list-style-type: none"> • Inducting DWP and SDS as Alliance members at appropriate level of seniority

Developing Scotland's Young Workforce

Recommendation	Role for LEP	Suggested Lead
22: Procurement and supply chain policies in both the public and private sectors should be applied to encourage more employers to support the development of Scotland's young workforce.	<i>Role:</i> Review current procurement and supply chains to identify opportunities to enhance opportunities and training for young people	LEP
23: Public sector employers should be encouraged by the Scottish Government and local authorities to be exemplars in a national Invest In Youth Policy and this should be explicitly reflected in their published corporate plans.	<i>Role:</i> Reviewing current corporate plans to identify further opportunities to provide jobs, work experience and training to help young people gain sustainable work.	LEP

Workstream 2: Working at a wider scale. There is a significant local jobs gap and many young people and others seeking work will need to widen their job search area and even move away (temporarily or permanently) if they are to gain fulfilling work.

Rationale for theme	Actions	Priority client groups
<ul style="list-style-type: none"> Limited number of jobs in Clackmannanshire and range of work available within a reasonable job search area 	<ul style="list-style-type: none"> Helping young people broaden their horizons and gain the skills and resilience needed to work elsewhere or to travel out of the area for work. 	Young people at school and College
	<ul style="list-style-type: none"> Providing labour market intelligence for a much wider geographical area than Clackmannanshire. 	Pupils, teachers, parents, training providers
	<ul style="list-style-type: none"> Helping clients overcome perceived and actual barriers involved in travelling to work outside the area or moving elsewhere. 	All those seeking work – particularly those resistant to travelling
Links to SoA Short Term Outcomes <ul style="list-style-type: none"> Support local people to take up jobs both locally and in neighbouring areas. 		

Action	Timescale	Suggested Lead	Output
2.1 Create information on current and emerging jobs and where they are for pupils, teachers and parents, as well as others seeking work	By April 2015	SDS	<ul style="list-style-type: none"> Regular information appealing to pupils, teachers and parents and used for careers advice and guidance and curriculum content
2.2 Building into curriculum opportunities to explore issues about working and living away from home area	By April 2015	CC Education/ NHSFV	<ul style="list-style-type: none"> Agreed modules and place in Curriculum for Excellence
2.3 Working with groups of pupils in 3 local secondary schools to identify perceptions around barriers to commuting outside area and living away and identify skills and information needs for living away from home	By April 2015	CC Education	<ul style="list-style-type: none"> Insights to inform parents and teachers and design of appropriate support for young people seeking work
2.4 Working with Stirling Council to support employability advice and support service in Stirling for Clackmannanshire residents	By Apr 2015	CW	<ul style="list-style-type: none"> Helping residents become familiar with travel to work

2.5 Produce, promote and distribute travel to work guide for young people and others seeking work	By June 2015	CC Economic Development	<ul style="list-style-type: none"> • Clear and accessible information on travel times and costs within the main travel to work areas for residents
2.6 Carry out pilot for accompanied journeys to work	By Apr 2015	CC Economic Development/Third Sector providers	<ul style="list-style-type: none"> • Developing system of 'first time company' for those making visit to Stirling service

Workstream 3: Placing employability in the context of business growth. The ‘employability service’ in Clackmannanshire will best help its clients by developing an even stronger focus on the needs of employers and wherever possible ensuring that businesses get the recruits they need, when they need them.

Rationale for theme	Actions	Priority client groups
<ul style="list-style-type: none"> Shortage of local jobs means that it is important to maximise local job growth (particularly among micro- businesses) Businesses need to be confident that recruits are available and will meet their needs The partners need to be confident that any client being recommended to an employer will be an effective ambassador for others seeking work. 	<ul style="list-style-type: none"> Ensuring that all those working with businesses are identifying recruitment and skills needs and opportunities. Using these insights to identify key trends in skill requirements and selection procedures. 	Training and support providers
	<ul style="list-style-type: none"> Creating a ‘Final Step’ service which will help work ready clients prepare for selection procedures and the first weeks in work. 	Clients who are ‘work ready’ and need to be ‘job ready’
	<ul style="list-style-type: none"> Co-designing bespoke training approaches with larger employers or groups of employers. 	Businesses seeking recruits Work ready clients
Links to SoA Short Term Outcomes <ul style="list-style-type: none"> Attract new jobs and business to Clackmannanshire Support the growth of the existing business base in Clackmannanshire - particularly in developing growth sectors. Improve pipeline between local employers and schools and FV College. 		

Action	Timescale	Suggested Lead	Output
3.1 Organise and implement initial workshop with all those working with businesses	By May 2015	BJSP	<ul style="list-style-type: none"> Summary of current and emerging trends and issues around skills and recruitment
3.2 Organise and implement annual follow up workshops to identify emerging issues and trends	Dec 2015	BJSP	<ul style="list-style-type: none"> Updated summary of current and emerging trends and issues around skills and recruitment
3.3 Produce synthesis of existing information on current labour market requirements	By Mar 2015 (to include RSA information as well as SDS)	FVC	<ul style="list-style-type: none"> Clear and accessible guide to job opportunities, and current and emerging trends

3.4 Design and fund service providing candidates with 'final step' in terms of specific job readiness, experience of recruitment processes and how to survive first weeks in work	By Sept 2015	CC Economic Development with SDS and DWP	<ul style="list-style-type: none"> Candidates who can be confidently presented to employers able to both get a job and do a job, and acting as ambassadors for other unemployed candidates
3.5 Co-design (by service/training provider and employer/s) development and training routes to meet specific needs of employers requiring similar needs (eg retail, construction) and multi-tasking in micro-businesses	By Dec 2014	BJSP	<ul style="list-style-type: none"> Candidates who meet specific needs of employers and can contribute from their first day
3.6 Make further steps towards a single point of contact for businesses by refining the 'no wrong door' approach.	By Dec 2014	DWP	<ul style="list-style-type: none"> Building on work to date by Employer Engagement sub-group to ensure that there is an obvious point of contact for employers seeking candidates
3.7 Strengthen micro-business support <i>Indicator:</i> Helping 50 micro-businesses a year to add one job	By April 2015	BJSP/C eteris	<ul style="list-style-type: none"> Integrated package of support targeting 1,900 micro-businesses: <ul style="list-style-type: none"> Business Gateway advice on growth Specialist HR support on job role, contract, systems Contribution to wages for up to 6 months where this will make a difference All presented candidates through 'final step' service
3.8 Enhance the number of Modern Apprenticeships <i>Indicator:</i> Increasing the number of young people in Clackmannanshire gaining a Modern Apprenticeship by 50 - 75 pa.	By April 2015	BJSP	<ul style="list-style-type: none"> Working with employers to identify additional MA opportunities with the objective of matching investment to scale of youth unemployment. This may involve working with employers in Stirling.
3.9 Making best use of national approaches in terms of paid work placements	By April 2015	DWP with FVC	<ul style="list-style-type: none"> Promotion of graduate work placement opportunities (eg SFC/Talent Scotland etc)

Developing Scotland's Young Workforce

Recommendation	Role for LEP	Suggested Lead
8: Development of Modern Apprenticeship access processes and progression pathways should be prioritised.	<i>Role:</i> Ensuring that there are clear pathways from school to MAs and a high awareness among pupils and parents of the MA option.	LEP through Employer Engagement Sub-group
10: If employers can be encouraged to offer significantly more good quality apprenticeships, the Scottish Government should consider a carefully managed expansion of the annual number of Modern Apprenticeship starts.	<i>Role:</i> Promoting the value of offering good quality apprenticeships and attracting additional MA funding.	LEP through Employer Engagement Sub-group
11: Employability must be a key focus within Education Scotland's work	<i>Role:</i> Supporting the work of Education Scotland locally in terms of	LEP through Employer

to support and quality assure the delivery of education. To support this, Education Scotland must work more closely with business organisations and their members to ensure that their work is underpinned by an understanding of industry's needs and expectations.	engaging with the local business community and understanding their needs. The recommended work on creating accurate and up to date insights into employer requirements and recruitment processes will feed into this.	Engagement Sub-group
14: The Scottish Government should support the creation of regional industry-led Invest in Youth groups across Scotland to provide leadership and a single point of contact and support to facilitate engagement between employers and education.	Contributing to the creation of appropriate regional and sub-regional (Clackmannanshire) employer groupings.	LEP through Employer Engagement Sub-group
15: Businesses across Scotland should be encouraged and supported to enter into 3-5 year partnerships with secondary schools. Every secondary school in Scotland and its feeder primaries should be supported by at least one business in a long- term partnership.	<i>Role:</i> Contributing to the creation of appropriate employer-school relationships in Clackmannanshire.	LEP through Employer Engagement Sub-group
17: Employers and national industry sector groups should form partnerships with regional colleges to ensure course content is industry relevant and full advantage is taken of work based learning and employment opportunities.	<i>Role:</i> Contributing to the creation of strong working relationships between local employers and Forth Valley College.	LEP through Employer Engagement Sub-group.
18: In the development of future industry Skills Investment Plans and Regional Skills Assessments, and in the updating of existing plans, there should be a specific focus on youth employment and the development of vocational pathways starting in the senior phase.	<i>Role:</i> The recommended work on creating accurate and up to date insights into employer requirements and recruitment processes will be an important contribution to this.	LEP
20: A small business Modern Apprenticeship recruitment incentive package should be developed to equip and support smaller and micro businesses to recruit and train more young people.	<i>Role:</i> Further enhancing the current HR support for micro-businesses and promote quality MAs as part of this	LEP
24: Growth businesses and Inward Investment companies in receipt of public funding should be encouraged and supported to employ young people.	<i>Role:</i> Ensuring that the opportunities for young people created by growth businesses and inward investment are fully realised.	LEP
25: Financial recruitment incentives should be re-examined and carefully targeted to achieve the most benefit in providing sustainable employment for young people.	<i>Role:</i> The strategy has identified a broader range of priority groups. The LEP's focus will be on ensuring that local employers are able to gain recruits with the skills they need (eg through co-designed training prior to recruitment) with recruitment incentives a discretionary part of a wider package of support to help micro-businesses recruit.	LEP

Workstream 4: Enhancing and managing performance – ie how to get improved performance out of existing service provision and resources – and how to actively manage this performance. The three main focuses for this workstream are: Identifying and working with priority clients – and in particular those for whom support can make the biggest difference; putting in place effective progress support; and actively managing the performance of the employability service as a whole in terms of focus, service design and outcome.

Rationale for theme	Actions	Priority client groups
<ul style="list-style-type: none"> The LEP needs to be able to describe performance in order to manage it Local services need to feel confident they are focusing their service on those for whom it makes the most difference. 	Creating simple structure for describing and monitoring performance over time which will allow identification of areas for improvement. Prioritisation of clients who most need support to gain work.	Those at risk of long term unemployment. Clients with multiple support needs.
Links to SoA Short Term Outcomes <ul style="list-style-type: none"> Improve attainment and aspirations for young people leaving our schools Development of the third sector as a key route to employment. 		

Action	Timescale	Suggested Lead	Output
Action to support priority client groups:			
4.1 Pupils at risk of entering MCMC group Indicator: Ensuring all those leaving school move onto training, work experience or a job	Annually at S3/4	CC Education	Pupils receive bespoke and sustained support through school/training/work transition
4.2 Short term unemployed people at greatest risk of becoming long term Indicator: Ensuring support is focused on those at risk of long term unemployment – contributing to reduction of 50% in those reaching long term unemployment	Pilot by Dec 2014, drawing on DWP research	DWP and CC Economic Development	Intensive support at early stage
4.3 Those who are 6 months unemployed who are at risk of entering Work Programme Indicator: Reducing the numbers reaching long term unemployment (12 months – or 9 months for those under 24) by 50%	Pilot by Dec 2014, drawing on DWP research and	DWP and CC Economic Development	Intensive support

4.4 Those on Work Programme who are unlikely to get the help they need <i>Indicator: Reducing WP failure rate to 75%</i>	Drawing on Working Links/Ingeus	DWP	Intensive support
4.5 Those emerging from 2 years on Work Programme without a job <i>Indicator: Helping 5 per month to move onto a job or training</i>		DWP and CC Economic Development	Intensive support
4.6 Those in CC housing who will be most affected by Welfare Reform <i>Indicator: Working with 50 households and helping 25 people into work</i>	By Dec 2014	CC Housing	Joined up support from range of services to help household members move towards and into work
4.7 Develop systems map by including known client flows and outcomes and identifying areas for improvement	By Mar 2014	LEP to agree	Tool for understanding performance, identifying areas for action and testing response
4.8 Provide intensive support for those emerging from Work Programme	By March 2015	DWP/JCP	HtW a high quality programme providing support that works. Supplemented by other tried and tested support
4.9 Produce of 'quick read' version of strategy and wide dissemination, with invitation for those who feel they can contribute to its tasks and objectives to get in touch	By end Nov 2014	CC Economic Development	Widely disseminated quick read version of strategy Full awareness of those that can make a contribution
4.10 Carry out regular review of strategy to refine and develop in the light of experience and performance, including structured feedback from stakeholders	Annually	CC Economic Development and LEP	Ensures that strategy is always relevant and takes account of current and emerging issues and demands
4.11a Work with CTSI to clarify role and ensuring that potential role of local Third Sector fully realised	By end Dec 2014	CC Performance and Partnership Support/CTSI	Range of funded programmes targeting priority clients which draw on third sector skills and experience, especially for those at Stages 1 and 2
4.11b Mapping of third sector provision by client group, function and area, including current service scale and performance	By April 2015	CTSI	Comprehensive description of third sector employability provision
4.12 Explore opportunities provided by Career Academies for Clackmannanshire schools	By Apr 2015	CC Education	Tried and tested way of supporting school – employer relationships

Developing Scotland's Young Workforce

Recommendation	Role for LEP	Suggested Lead
<p>2: A focus on preparing all young people for employment should form a core element of the implementation of Curriculum for Excellence with appropriate resource dedicated to achieve this. In particular local authorities, Skills Development Scotland and employer representative organisations should work together to develop a more comprehensive standard for careers guidance which would reflect the involvement of employers and their role and input.</p>	<p><i>Role:</i> LEP to ensure an accurate, up to date and highly accessible and appealing source of intelligence and insight about labour market opportunities.</p>	<p>LEP</p>
<p>13: Support for young people at risk of disengaging from education and for those who have already done so should focus on early intervention and wide ranging, sustained support. This should relate to labour market demand and should be focused on helping young people engage on the labour market relevant pathways that we have highlighted.</p>	<p><i>Role:</i> Ensuring that there are progressive and supported school-work transitions in place that start at an appropriate age and involve training and experiences related to available labour market opportunities. The recommended work on creating accurate and up to date insights into employer requirements and recruitment processes will feed into this.</p>	<p>LEP through Employer Engagement Sub-group</p>

APPENDIX B - Labour Market Update

1.0 Background

- 1.1 This Appendix report provides an overview of the local labour market and current Job Seeker's Allowance (JSA) claimant figures and the latest performance statistics for Clackmannanshire.
- 1.2 Clackmannanshire showed a significant increase in unemployment as a result of the economic downturn. In particular in 2011-2012 this level of unemployment increased relative to the Scottish and UK employment position.

2.0 Labour Market Statistics

- 2.1 Clackmannanshire's overall JSA figure for October 2014 is 1,125 claimants. This represents a decrease of 26.9% (from 1,538) compared to the same time last year. In line with the Scottish rate the proportion of the population claiming JSA has fallen faster (by 1.2 percentage points) than in Great Britain as a whole. Clackmannanshire's JSA rate is still higher than Scottish average of 2.4% and 2.1% for Great Britain. (Appendix, Tables A-D, p.10.) Across Clackmannanshire rates vary widely by ward from Dollar & Muckhart at 0.6% to Alloa Mar at 9.7% (Appendix, Fig 6, p.9).
- 2.2 The proportion of working age population in employment has increased to 66.3% an increase of 1.9 percentage points over the last year. This increase is higher than in the Scottish and Great Britain figure of 1.3 percentage points. The Scottish average stands at 72.0% and Great Britain at 72.1%. Clackmannanshire still has a gap to close to obtain the Scottish average. (Appendix, Fig. 1)
- 2.3 After peaking at 15.3% in August 2012 unemployment in the 18 to 24 age group has seen a substantial decrease and now stands at 7.5% in Clackmannanshire at October 2014. For Scotland it is 3.8% and Great Britain 3.5%. The rate of unemployment for 18-24 year olds in Clackmannanshire has reduced by a slightly higher proportion than in Scotland as a whole over the last year.
- 2.4 The number of self employed in Clackmannanshire has remained constant over the last year at 2400, this represents a self employment rate of 6.8%, this compares to a Scottish average self employment rate of 7.9% (Appendix, Fig. 3)
- 2.5 Clackmannanshire has been the poorest performing authority for the rate of young people aged 16-19 not in employment, education and training (NEET). Over the last year the number of NEET has dropped by 2% from 13.9% to 11.9%. The gap between the Clackmannanshire rate and the Scottish average has reduced slightly. Reliable comparative data for the rest of the UK is not available. (Appendix, Fig. 11)

3.0 Key Facts - Labour Demand

- 3.1 Clackmannanshire's business base is dominated by micro-businesses (0-9 employees). 1,045 of the 1,315 businesses (VAT traders and PAYE

employers) are micro-businesses. The LEP strategy estimates that if businesses not registered for VAT are added the number of micro-businesses could be as high as 1,935.

The LEP strategy also suggests future vacancies are likely to require the skills of distinctive local industries (bottling, brewing etc) or as replacement for the natural loss of skills in all occupational areas through, for example, retirement.

Clackmannanshire has a low job density. It has roughly 4.1 jobs for every 10 residents of working age compared to 5.8 in Falkirk, 7.1 in Stirling and 6.9 in Scotland. Residents looking for work need to have as broad a view of their job search area as their circumstances allow. The LEP strategy points to the significant transport improvements over the last 10 years. It shows, using data from the 2011 Census, that large proportions of employed residents already work outwith the County; 52.4% of women and 60.0% of men.

The recent publication of the Regional Skills Assessment has provided a analysis of the labour market across Forth Valley. It shows that a majority of employers in Forth Valley, 61%, are happy with the standard of recruits from the Scottish education system, compared to 65% for Scotland. Where there was criticism it was mainly around core employability skills and attitudes to work. The highest incidences of skill gaps in Forth Valley are amongst those employed in caring, leisure, sales and customer service occupations.

Clackmannanshire Labour Market Information, November 2014

Labour Supply

1. Employment

The proportion of working age population in employment has increased to 66.3% an increase of 1.9 percentage points over the last year. This increase is higher than in the Scottish and Great Britain figure of 1.3 percentage points. The Scottish average stands at 72.0% and Great Britain at 72.1%. Clackmannanshire still has a gap to close to obtain the Scottish average. (Appendix, Fig. 1). The data suggests a large increase in employment rates during 2010 but it is hard to reconcile this against other data such as that regarding unemployment.



Fig 1: Employment rates for Clackmannanshire, Scotland and Great Britain

Of those in employment the number of self-employed has grown in recent years. The rate of self-employment has however been lower than Scotland and Great Britain and also been more changeable over time.

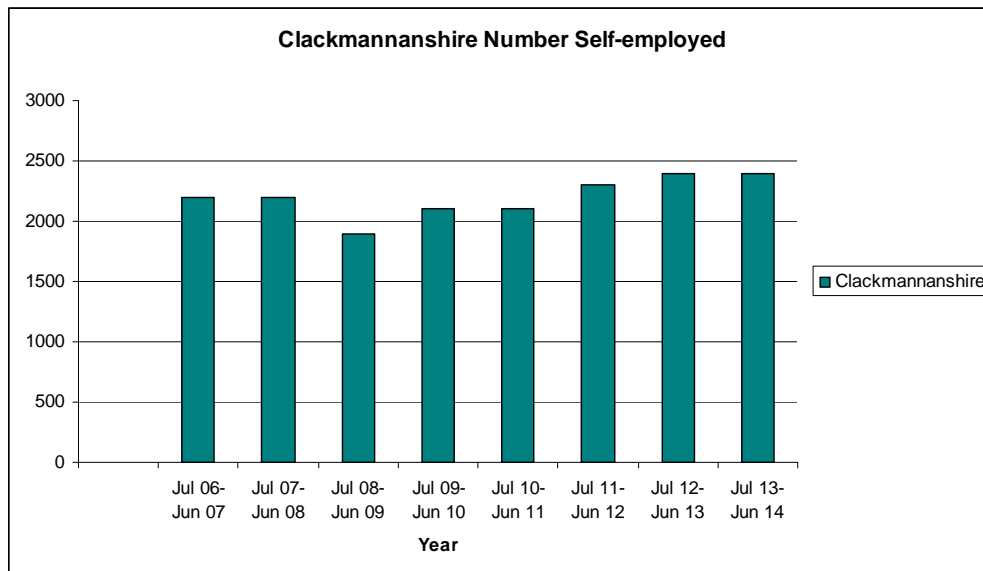


Fig 2: Number self-employed in Clackmannanshire.

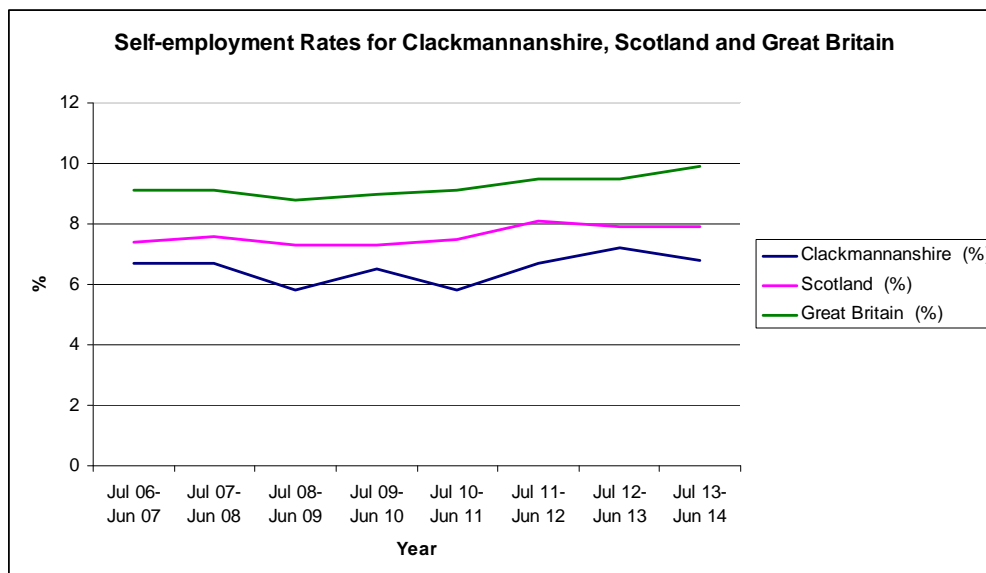


Fig 3: Self-employment rates for Clackmannanshire, Scotland and Great Britain.

2. Unemployment

Clackmannanshire showed a significant increase in Model Based Unemployment figures as a result of the economic downturn. This began to decline last year but is still significantly higher than its lowest figure in 2007.

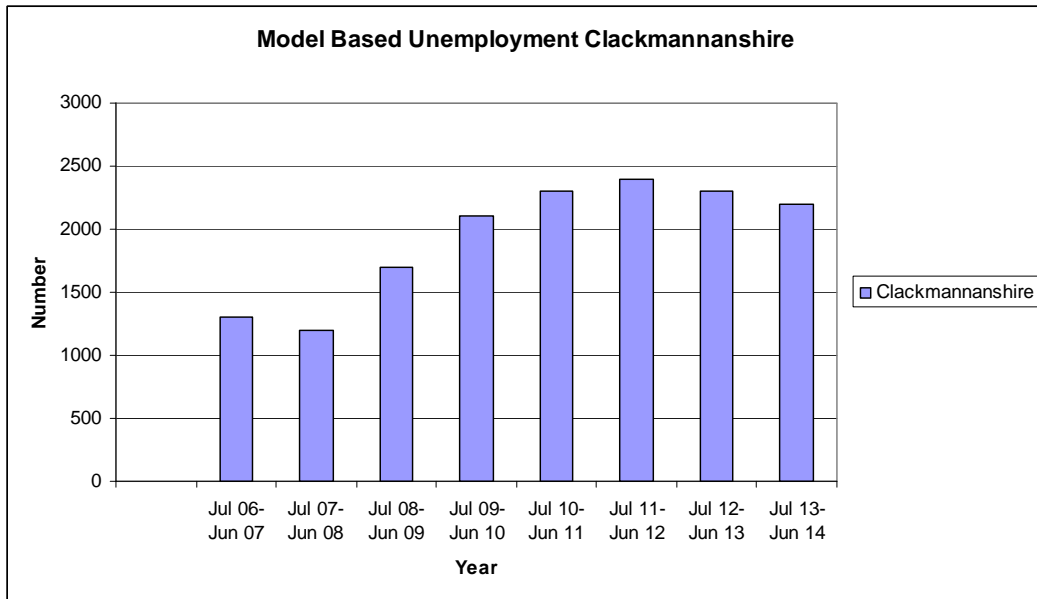


Fig 4: Model based unemployment¹ in Clackmannanshire

In comparison with Scotland and Great Britain Clackmannanshire has performed relatively worse. In particular the performance gap widened around 2011 and, despite drops in numbers, this gap is not narrowing (fig 5).

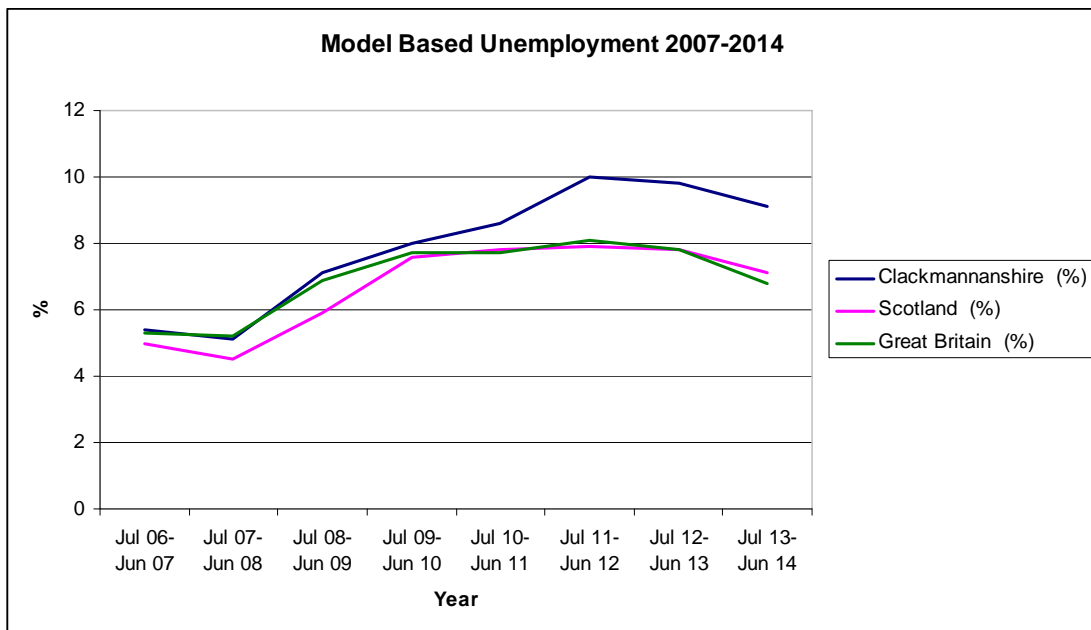


Fig 5: Model based unemployment rates for Clackmannanshire, Scotland and Great Britain

JSA Claimant Rates Across Clackmannanshire

Clackmannanshire's overall JSA figure for October 2014 is 1,125 claimants. This represents a decrease of 26.9% (from 1,538) compared to the same time last year. In line with the Scottish rate the proportion of the population claiming JSA has fallen slightly faster (by 1.2 percentage points) than in great Britain as a whole. Clackmannanshire's JSA rate is still higher than Scottish average of 2.4% and 2.1% for Great Britain.

Across Clackmannanshire however rates vary widely by ward showing greatest concentrations in Alloa and Tullibody (Fig 6).

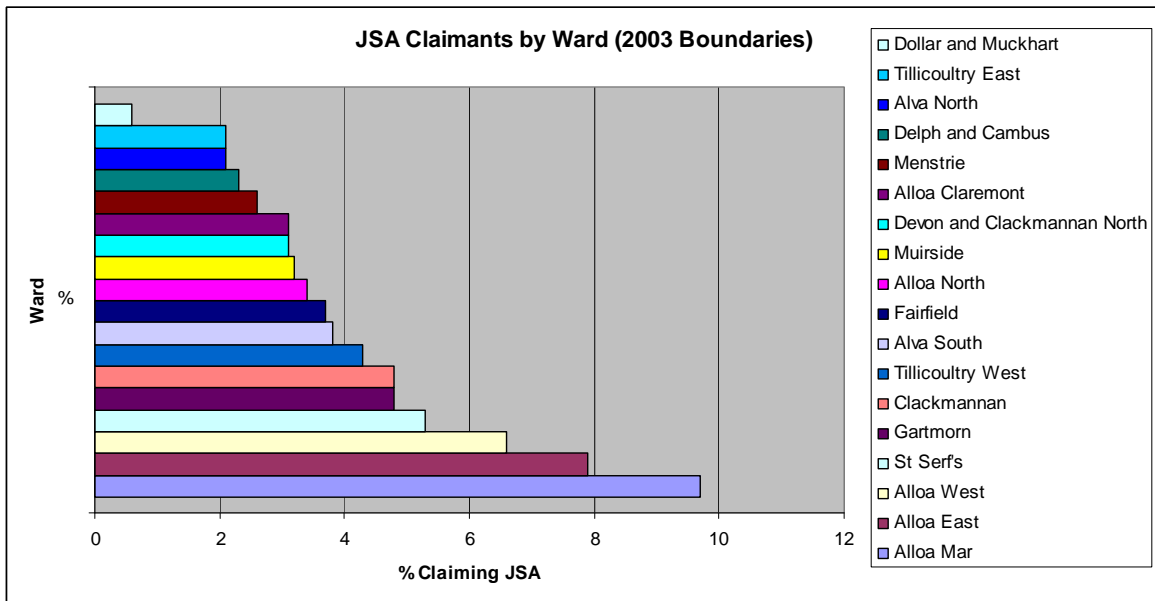


Fig 6: JSA Claimants by Ward, August 2014 (latest data available).

JSA Claimant Rates by Age and Duration

Data on the age and duration of those on Job Seekers Allowance shows significant improvement for most age groups. Overall the number of JSA claimants has reduced by over a quarter in the past year (26.9%). For young people aged 18-24 this is even higher at 33.0%. Although a causal link cannot be made this would suggest the investment in young people through national programmes such as the YES Fund and local programmes such as the Clackmannanshire Apprenticeship Initiative has had a positive impact. Rates remain however generally higher than the Scottish and Great Britain averages and this is still, in particular, true for young people. See tables A-D below for data. Data for October 2013 is shown in brackets for comparison.

ALL CLAIMANTS	Clackmannanshire (number)	Clackmannanshire (%)	Scotland (%)	Great Britain (%)
Total	1,125 (1,538)	3.4 (4.6)	2.4 (3.2)	2.1 (3.0)
Up to 6 months	630 (800)	1.9 (2.4)	1.4 (1.7)	1.2 (1.6)
Over 6 and up to 12 months	140 (225)	0.4 (0.7)	0.3 (0.5)	0.3 (0.5)
Over 12 months	355 (505)	1.1 (1.5)	0.7 (1.0)	0.6 (0.9)

Table A: Total JSA Claimants as at October 2014 (and October 2013).

AGED 18 -24	Clackmannanshire (number)	Clackmannanshire (%)	Scotland (%)	Great Britain (%)
Total	305 (455)	7.5 (11.2)	3.8 (5.6)	3.5 (5.5)
Up to 6 months	200 (265)	4.9 (6.5)	2.8 (3.7)	2.5 (3.6)
Over 6 and up to 12 months	40 (55)	1.0 (1.3)	0.5 (0.8)	0.4 (0.8)
Over 12 months	65 (135)	1.6 (3.3)	0.5 (1.1)	0.5 (1.1)

Table B: JSA Claimants aged 18 to 24 as at October 2014 (and October 2013)..

AGED 25-49	Clackmannanshire (number)	Clackmannanshire (%)	Scotland (%)	Great Britain (%)
Total	630 (855)	3.7 (5.0)	2.6 (3.5)	2.2 (3.2)
Up to 6 months	325 (430)	1.9 (2.5)	1.4 (1.7)	1.2 (1.6)
Over 6 and up to 12 months	85 (140)	0.5 (0.8)	0.4 (0.6)	0.3 (0.6)
Over 12 months	220 (280)	1.3 (1.7)	0.8 (1.2)	0.7 (1.1)

Table C: JSA Claimants by aged 25-49 as at October 2014 (and October 2013)..

AGED 50-64	Clackmannanshire (number)	Clackmannanshire (%)	Scotland (%)	Great Britain (%)
Total	180 (215)	1.7 (2.0)	1.6 (1.9)	1.5 (1.9)
Up to 6 months	95 (95)	0.9 (0.9)	0.8 (0.9)	0.6 (0.8)
Over 6 and up to 12 months	15 (30)	0.1 (0.3)	0.2 (0.3)	0.2 (0.3)
Over 12 months	70 (90)	0.7 (0.8)	0.6 (0.8)	0.6 (0.8)

Table D: JSA Claimants by aged 50-64 as at October 2014 (and October 2013)..

Over recent years young people locally have been particularly affected by the recession when compared with Scottish & Great Britain averages. Whilst these figures have recovered to a degree they have not recovered as well as elsewhere (Fig 8).

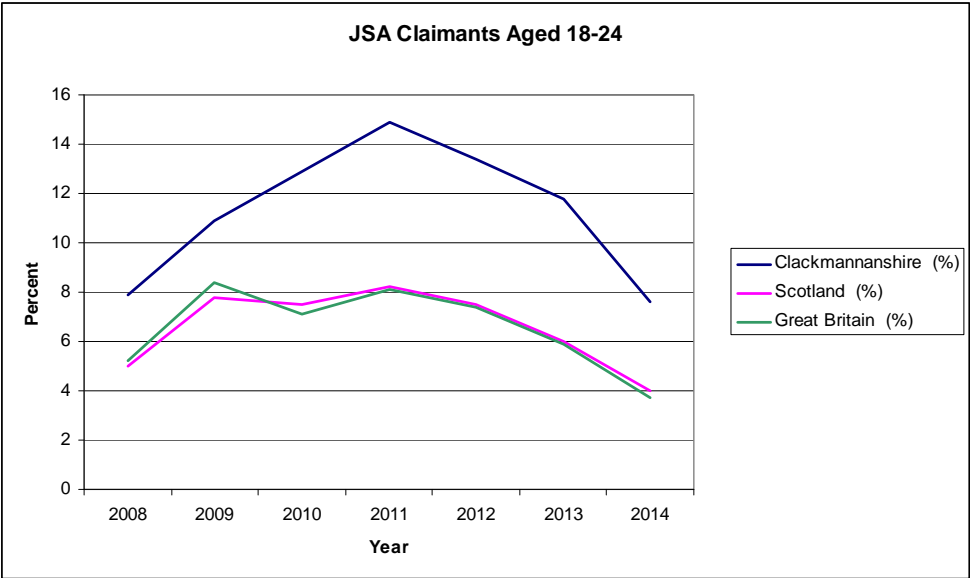


Fig 8: JSA Claimants aged 18-24 over time.

3. Key Out of Work Benefits

The data for key out of work benefits offers a wider picture of the extent of worklessness as it includes JSA claimants as well as those on ESA and lone parent benefits and others on income related benefits. On this measure over two thirds of wards have levels higher than the Scottish average.

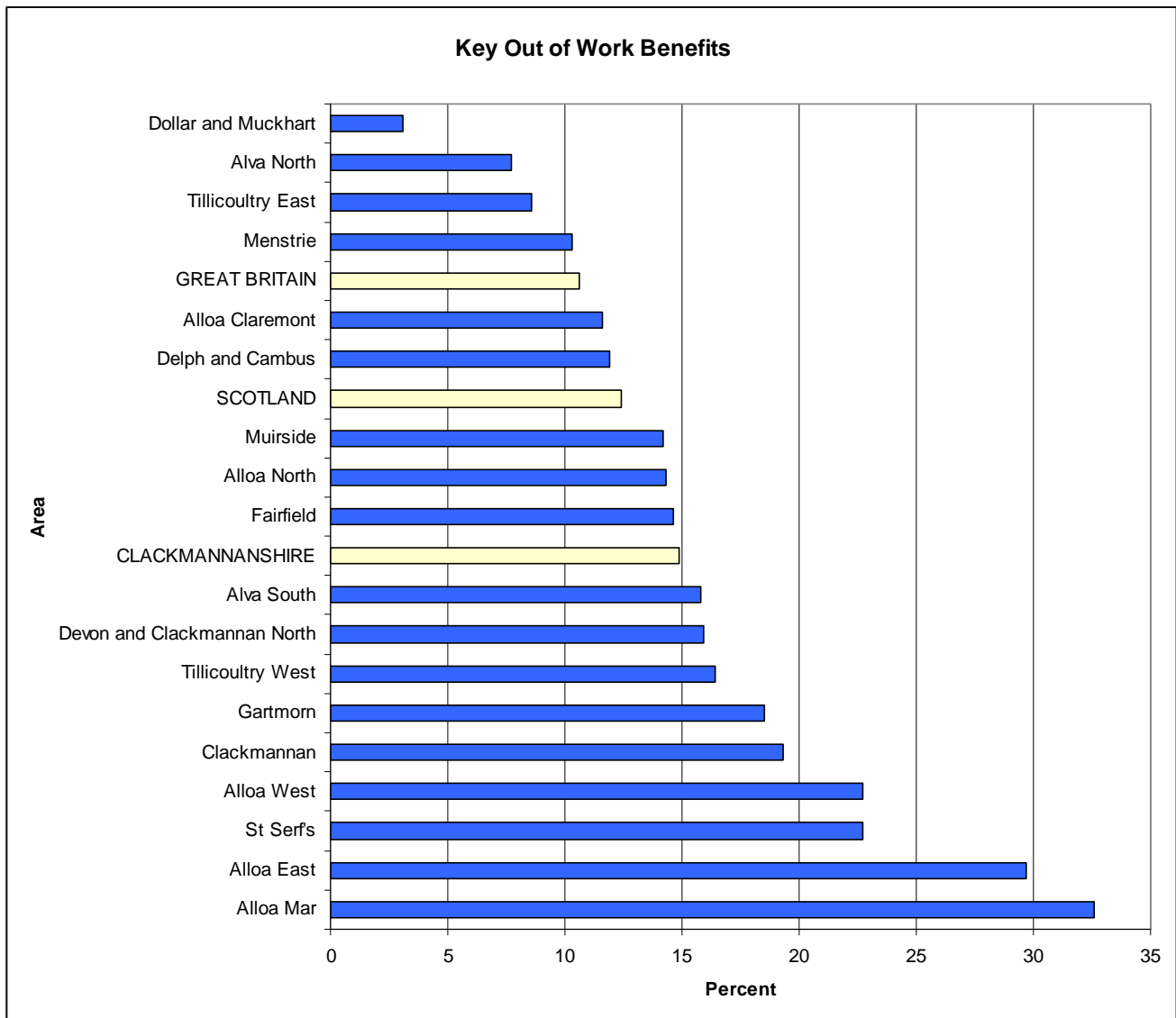


Fig 9: Key out of work Benefits as at February 2014 ((latest data available).

Over time Clackmannanshire has out of work benefit rates higher than both Scotland and Great Britain and the pattern remains fairly consistent (Fig 10).

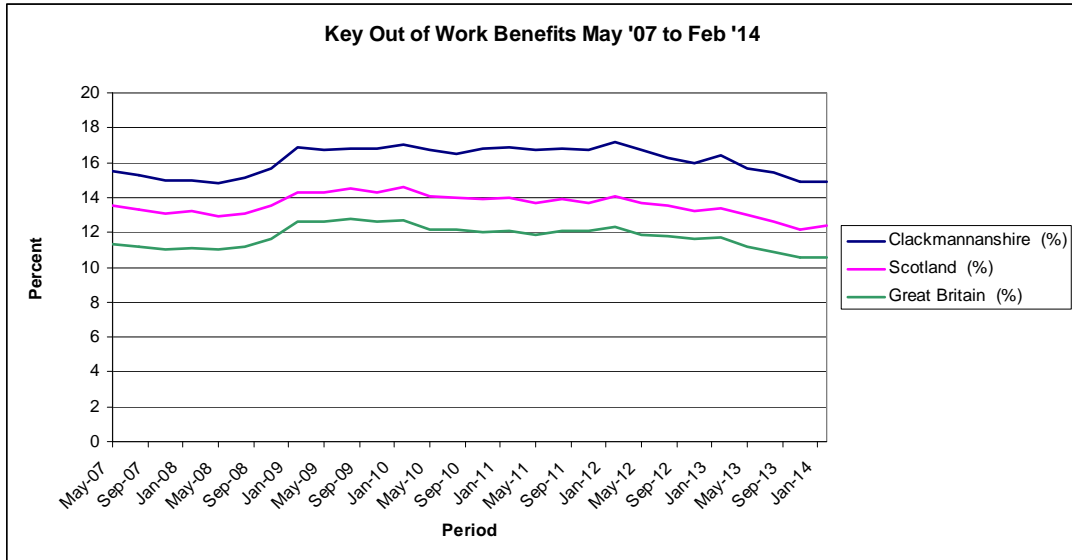


Fig 10: Key Out of Work Benefits over time.

4. More Choices More Chances

The data for the rate of known NEET (young people aged 16-19 not in employment, education or training) is estimated on an annual basis by Scottish Government using data from SDS and DWP. Clackmannanshire has performed consistently poorly on this measure. As highlighted in the new LEP strategy (p.38) for the last 4 years it has been the worst performing authority in Scotland. The percentage has come down slightly over the last 2 years and the gap between the Clackmannanshire and Scottish rates has narrowed slightly.

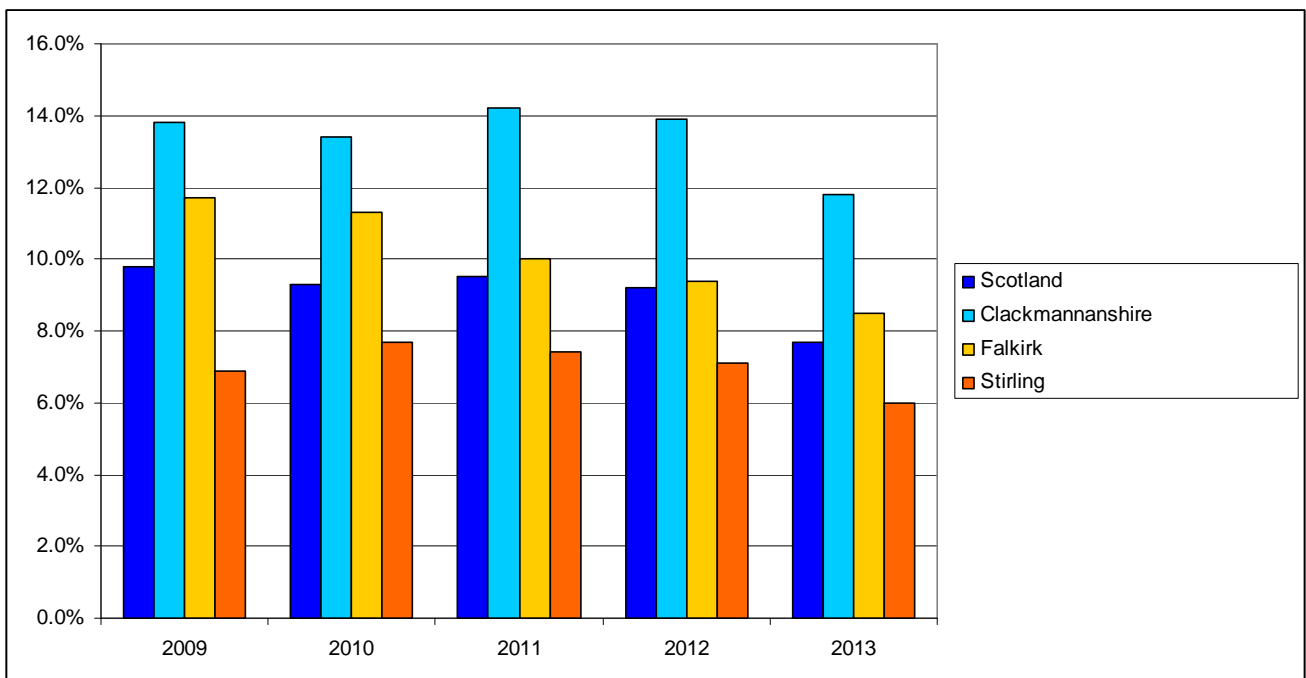


Fig 11: Rate of NEET.

Labour Demand

1. Business Count

Clackmannanshire has 1,315 local business units (sites for VAT traders and PAYE employers). The vast majority of these (1,045) are micro-businesses with 9 or less employees. Of the remainder 220 are small businesses (10 to 49 employees), 40 medium (50 to 249 employees) and 10 large (250 or more employees). The LEP strategy estimates that if businesses not registered for VAT are added the number of micro-businesses could be as high as 1,935.

2. Employee Jobs by Industry

The LEP strategy finds that Clackmannanshire has a very distinctive economy. It has the majority of the Scottish bottle industry and a large proportion of the British capacity with 600 people employed at Owens-Illinois. Other significant industries include those in and around the trade in alcoholic drinks, including especially packaging as well as clothing, upholstery retailing and construction. Of the 14,300 total employee jobs in Clackmannanshire over a third are in public administration, education and health. Knowledge of the current labour market is significant as many future vacancies will require the skills of distinctive local industries or as replacement for the natural loss of skills through retirement etc.

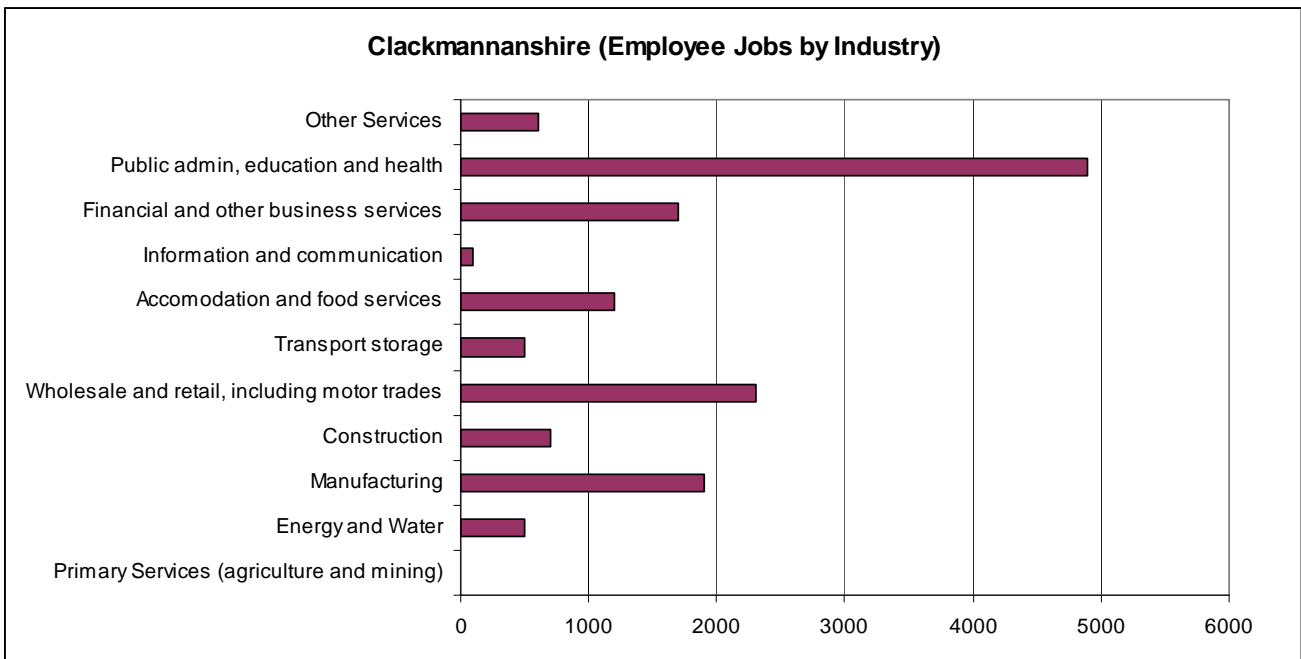


Fig 12: Jobs by Industry, 2013

3. Job Density

Clackmannanshire has a low job density. It has roughly 4.1 jobs for every 10 residents of working age compared to 5.8 in Falkirk, 7.1 in Stirling and 6.9 in Scotland. Residents looking for work need to have as broad a view of their job search area as their circumstances allow. The LEP strategy points to the significant transport improvements over the last 10 years. It shows, using data from the 2011 Census, that large proportions of employed residents already work outwith the County; 52.4% of women and 60.0% of men.

Local Authority	Jobs per 10,000 Working Age	Local Authority	Jobs per 10,000 Working Age
<i>Clackmannanshire</i>	4104	Stirling	7166
Falkirk	5857	<i>Scotland</i>	6985

Fig 13: Jobs Density in Scottish Local Authorities and Scotland

4. Forth Valley Skills Demands

The Regional Skills Assessment (RSA) for Forth Valley states that employers generally consider young people to be well prepared for the world of work; 61% for Forth Valley compared to 65% for Scotland. Of those employers that considered recruits from Scottish education to be poorly or very poorly prepared for work, the main reasons cited were:

- lack of working world / life experience or maturity
- poor attitude / personality or lack of motivation
- lack of required skills or competencies.

The highest incidences of skill gaps in Forth Valley are amongst those employed in caring, leisure, sales and customer service occupations.

The RSA summarises the employment and skills outlook for Forth Valley as:

- employment in Forth Valley is expected to remain stable until 2016 and then increase steadily to 2022 at a pace in line with Scotland as a whole
- the structure of employment in Forth Valley is not expected to change significantly over the coming decade, with male full-time workers continuing to account for the largest share of the workforce
- the greatest employment increases in Forth Valley over the coming decade are expected to come from health and social work, construction, support and professional services
- the long term decline in employment within traditional industries, such as manufacturing, mining and agriculture, is set to continue. There are also expected to be job losses in public administration, defence and education
- replacement demand will result in over 50,000 job openings in the region over the coming decade. These openings will occur across all types of jobs, including those that are expected to decline in net terms
- the majority of job openings in Forth Valley over the coming decade will require individuals with higher level skills and qualifications. There will be limited opportunities available to those with no qualifications at all.