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**Report to: Council**

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**Date of Meeting: 10 December 2020**

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**Subject: Employability Update**

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**Report by: Strategic Director (Place)**

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## **1.0 Purpose**

1.1. The purpose of this report is to:

- Provide an update on the current employability programmes provided by the Economic Development service through Clackmannanshire Works;
- Highlight some of the key challenges and considerations that need to be taken into account in relation to delivery of the current programmes;
- Provide an update on the roll-out of the Scottish Government's 'No One Left Behind' programme of employability service transformation;
- Highlight new initiatives and funding opportunities that are emerging in response to the Covid-19 pandemic;
- Highlight some of the key challenges that will need to be considered in relation to the implementation of the new initiatives and funding opportunities which will have capacity and resource implications for the Council;
- Highlight opportunities for collaborating with Falkirk and Stirling Councils where value could be added by working regionally.

## **2.0 Recommendations**

2.1. The Committee is invited to:

- Note the range of current employability programmes delivered through Clackmannanshire Works and some of the challenges in delivering these programmes during 2020/21;
- Agree to recommend that the Council approve the 2 year extension of the Fair Start Scotland contract (outlined in paragraph 3.8) and the associated staff resources required to deliver it;

- Note the proposed delay in the roll-out of No One Left Behind Phase 2 until April 2022;
- Agree that the Place Service will lead a review of the work and strategic relationships of the Clackmannanshire Local Employability Partnership (LEP) and make recommendations for change to the Clackmannanshire Alliance in order to fulfil Scottish Government expectations of the enhanced role of LEPs in the delivery of No One Left Behind. The LEP includes representatives from DWP, Skills Development Scotland, Forth Valley College, CTSI, NHS Forth Valley and various Council services (i.e. Education, Economic Development, Criminal Justice);
- Note the rapidly moving employability agenda and a changing set of immediate employability priorities for Local Government. In order to be able to respond to these challenges, there will be a redesign of the Economic Development service as part of the wider restructure of the Place service;
- At an appropriate time, agree to table a further employability update as an agenda item at a future Place Committee.

### **3.0 Considerations**

#### ***Current Programmes***

- 3.1. In recent years the focus of the Economic Development service has become concentrated on the delivery of a range of employability programmes. These are delivered largely through commercial contracts with the Scottish Government and Skills Development Scotland (SDS). The contracts are performance related and are subject to strict compliance and audit requirements.
- 3.2. The range of employability programmes managed and primarily delivered under the umbrella of Clackmannanshire Works include:
  - European Social Fund (ESF) Employability Pipeline;
  - Fair Start Scotland (FSS);
  - SDS Employability Fund Stage 3;
  - SDS Modern Apprenticeships;
  - No One Left Behind Phase 1 (includes a Fair Work Incentive and support for 16-19 year olds delivered by the Council's Education Youth Services); and
  - Parental Employability Support Fund (part of the Scottish Government's Child Poverty Strategy).

- 3.3. These programmes provide person-centred support to Clackmannanshire residents aged between 16 and 67 to help address barriers to employment and provide skills training where required. A brief description of each of these programmes/services is provided in Appendix A.
- 3.4. Last year (2019/20), Clackmannanshire Works delivered employability support to 529 individuals, of which 122 gained employment, 55 gained qualifications and 8 entered Further/Higher Education. The service generated external income of around £494,000 from our external funders (Scottish Government and Skills Development Scotland.)

### ***Challenges/Considerations in relation to delivery of Current Programmes***

- 3.5. Since the middle of March when the country went into lockdown, staff have had to switch from a face-to-face delivery model to dealing with clients remotely by text, phone or email. This has been challenging for all, particularly as many of our clients lack both IT skills and equipment. All of our group sessions for IT and jobsearch have had to be paused for the foreseeable future and we have had to move some services on-line. Work experience placements have almost stopped completely due to strict social distancing measures and industry guidelines.
- 3.6. Between April and June, many of the Clackmannanshire Works staff were heavily involved in the Shielding Helpline in addition to keeping in weekly contact with their existing clients. Some of the staff were also involved in administering payments to businesses for the Newly Self-Employed Hardship Fund and the Bed & Breakfast Fund and these staff are currently involved in administering some of the new business grants to employers.
- 3.7. Until late June, there were no referrals or new starts on our employability programmes due to lockdown and the Scottish Government message “to stay at home”. Also, our main referral source, Alloa Jobcentre, was dealing exclusively with the huge influx of new Universal Credit claimants and was not in a position to refer any of their existing caseloads for employability support.
- 3.8. In July, the Scottish Government extended the ***Fair Start Scotland (FSS)*** service for a further 2 years from April 2021 – March 2023. FSS is the Scottish Government’s first fully devolved employability service which delivers locally targeted employment support for unemployed people who are disabled, have health conditions and are at risk of long-term unemployment and who are no more than 12 months away from being able to enter sustained employment. FSS in the Forth Valley area is delivered jointly by the three local authorities with Falkirk Council as the lead partner. In order to deliver FSS, additional staff had to be recruited to Clackmannanshire Works for the 3 year fixed term of the initial contract. This report seeks approval to agree to the 2 year extension and to extend staff contracts accordingly. The salary costs for staff will be met through the FSS contract and any potential redundancy costs will be mitigated through service redesign. There are 4 members of staff employed on the FSS contract, 2 of which are already permanent members of staff.

- 3.9. Prior to lockdown, we were in the process of implementing the **Parental Employability Support Fund (PESF)**. PESF funding has been allocated to all 32 local authorities to help deliver employability activities for parents in and out of employment. Clackmannanshire's share of PESF is £202,000 over a 3 year period from 2019/20 to 2021/22. Locally, PESF will be delivered through Clackmannanshire Works as part of our employability service. The implementation of PESF has been delayed but we now have a new member of staff, who took up post on 14 September, to take this forward.
- 3.10. Since July, we have started to generate starts again to our two biggest employability programmes, **ESF Employability Pipeline and FSS**, but it has been difficult to start new **Modern Apprentices** in the Council up until now. One Roads and eleven Childcare apprentices are starting late September and we have had to push back recruitment of the Craft apprentices until January. We have struggled to start any Business & Administration apprentices due to the current homeworking restrictions. This is of particular concern as we have had 2 young people waiting to start their Business & Administration apprenticeships since March and it will be difficult to fill our 6 Business & Administration apprenticeship places this financial year.
- 3.11. We had to delay delivery of our SDS **Employability Fund Stage 3** contract until September due to having to repurpose the programme in response to the pandemic and bring it on-line.
- 3.12. Because of delayed starts to all of our programmes, it is possible that we may not achieve some of our targets in relation to volumes and revenue from funders which could potentially lead to a loss of income. It is difficult to quantify any potential loss of income at this juncture but we are closely monitoring our performance and budgets on a monthly basis as well as liaising closely with our funders. We will also need to carry forward some funding from PESF and other new funding streams as it will be impossible to fully spend within the current operating year.

#### **Roll-out of No One Left Behind**

- 3.13. The Scottish Government and COSLA signed a 'No One Left Behind' Employability Partnership Agreement in December 2018. The Partnership Agreement is supported by a Delivery Plan that now needs to be rapidly updated to take account of the additional challenges in the labour market brought about by pandemic impacts.
- 3.14. No One Left Behind (NOLB) is the Scottish Government's vision for the future of an all age employability service in Scotland. It promotes a culture change away from programmes prescribed at a national level and promotes a strengthened partnership approach where local authorities, third and private sectors, and service users identify local needs and make informed, evidence-based decisions, flexing these to meet emerging labour market demands.
- 3.15. There was an indicative outline of three phases for transitioning of NOLB funding, grouped in current commissioned programmes. Phase 1 was implemented in April 2019 when 'Activity Agreements' and 'Scotland's Employer Recruitment Incentive (SERI)' ceased and were replaced by a local allocation of NOLB investment across local authority areas which was routed through Employability Leads.

- 3.16. In Clackmannanshire, our current annual NOLB allocation is just under £97,000, of which £65,000 is used to provide activities for 16 – 19 year olds who are at risk of becoming NEET and is delivered by the Council's Education Youth Services team. The remainder is used by Clackmannanshire Works to support a **Fair Work Incentive** which offers up to £2,000 to employers who create jobs for individuals aged 16 to 67 who experience barriers to employment. The Fair Work Incentive has been developed in conjunction with Stirling Council to ensure the same employer offer across the City Region Deal area.
- 3.17. Phase 2 of NOLB, due to start in April 2021, includes the transfer of funding currently allocated to the 'Employability Fund' programme (run by Skills Development Scotland) and 'Community Jobs Scotland' (run by the Scottish Council for Voluntary Organisations [SCVO]) to be incorporated into NOLB. Phase 2 involves a greater shift towards user engagement, service design, partnership working, a shared measurement framework and a common approach to inclusive communications.
- 3.18. Following a readiness assessment and strategic discussion at a national level, it is now being proposed by COSLA that the implementation of NOLB Phase 2 is deferred by one year until April 2022. Transition planning is not sufficiently advanced due to the impact of COVID-19 forcing a re-consideration of priorities and timings. This delay will allow greater time for development of new locally designed programmes and management arrangements.
- 3.19. Phase 3 of NOLB will include the transfer of funding currently allocated to Fair Start Scotland (FSS). The timescale for this has not yet been confirmed but will be some time after April 2023.

### ***New Initiatives and Changes to Employability Landscape***

- 3.20. As a result of the economic impact of Covid-19, there has been a significant increase in Universal Credit claims and there is likely to be a rapid and prolonged increase in unemployment, particularly amongst young people. Local levels of unemployment have been rising at a similar rate to that which is being seen nationally but from a higher baseline. The latest Claimant Count Update for Clackmannanshire is provided in Appendix B.
- 3.21. As the UK Government tapers down existing business support and the Job Retention Scheme many workers will find themselves unemployed or under-employed. The impact of the extension to some level of wage support for businesses announced by the UK Chancellor at the end of September is not yet known. Communities will be affected differently depending on the nature of the local labour market and pandemic impact on employment sectors. A place based approach is seen as essential and Local Employability Partnerships led by Local Government have a key role to play.
- 3.22. The Scottish Government has received recommendations from both the Advisory Group on Economic Recovery and the Enterprise and Skills Strategic Board. It has now published its response including an investment of an additional £100 million for employability work. The focus of that is on a Young Person Guarantee, funding to enhance support for those made redundant (through the 'PACE' initiative), and for apprenticeships.

- 3.23. The UK Government has recently announced a £2 billion investment in services to support young people, impacted by the pandemic, into work. DWP is the lead agency for 'Kickstart' which was launched on 2 September and will be delivered UK wide. Scottish Government and Local Government are in discussion with DWP on its roll-out. The three Forth Valley Councils are collaborating on a bid to this fund.
- 3.24. In addition to the new programmes coming from Government, the Council's Economic Development service is currently working on the implementation of the Flexible Skills project as part of the wider City Region Deal Skills & Inclusion programme. As part of the Wellbeing Economy Pilot, there have also been some discussions with Scottish Government about how we could improve and simplify the increasingly complex employability landscape.
- 3.25. The current European programme, which part funds our ESF Employability Pipeline programme, finishes at the end of 2022. Although a UK Shared Prosperity Fund has been proposed as replacement European funding post EU exit, there could be a reduction in funding to Scotland and Clackmannanshire and a gap in current funding and any successor programme.
- 3.26. Through the pandemic response there will be changes on focus for Local Government led employability provision with some enhanced responsibilities and a review of schedules for transitioning existing programmes and funding to No One Left Behind as highlighted in paragraphs 3.12 to 3.17 above. Key elements will be:
- A continuation of No One Left Behind Phase 1 funding for 2021/22. This is around £97,000 for Clackmannanshire;
  - An immediate boost to the Parental Employability Support Fund (PESF), targeted at low income families as part of the measures to address child poverty, of £2.35 million to take funding for this year to £7.35 million. The extra funding this year is for supporting disabled families, young parents and to support early learning and childcare employment. Clackmannanshire's share of the PESF Boost funding has just been confirmed at £39,615 for 2020/21. It is anticipated that there will be a continuation of the PESF boost funding into 2021/22 to add to the base PESF funding;
  - New funding of £30 million to support Local Government led activity on the Young Person Guarantee, with an additional £6 million anticipated for new 'Developing the Young Workforce' schools based co-ordinators (in every high school). Confirmation of the Clackmannanshire allocation has just been confirmed and is £399,000 for 2020/21. A key challenge will be to spend the funding in-year, however, we will endeavour to commit the funding before the end of March 2021 and will work closely with our colleagues in Education and other strategic partners to explore how best to utilise this funding and explore links to the Clackmannanshire Deal;
  - The likelihood that most local authorities will choose to bid for a funded role as Kickstart 'intermediaries' – to provide wrap-around support for young people and engaging with local employers – and/or as 'employers' offering direct opportunities to young people. Along with Falkirk and

Stirling Councils, we have just submitted a regional bid to deliver Kickstart across the Forth Valley area;

- An immediate additional £3 million to Local Government/ PACE partners to support its local contribution to the Partnership Action on Continuous Employment (PACE), to combat rising levels of redundancy, Clackmannanshire's allocation is £71,080 for 2020/21; and
- A proposed delay in the transitioning of both the Employability Fund (currently £17.5 million per annum) and Communities Job Scotland funding (currently £5 million per annum) to No One Left Behind Phase 2 from April 2021. Clackmannanshire's share of this could be up to £235,000 per annum.

3.27. These programmes and funding streams are in addition to the range of employability programmes (see 3.2) which are currently being delivered through Clackmannanshire Works. Given that some of the allocations have only just been confirmed but the detailed requirements are not yet known, it will be very challenging to deliver these services in full by March 2021 as new staff may need to be recruited and additional services will need to be developed and possibly procured. Through SLAED, Local Government is lobbying for the additional funding to be committed and drawn down during the remainder of this year and carried forward into 2021/22.

#### ***Challenges Relating to Implementation of New Initiatives/Funding Opportunities***

- 3.28. The service welcomes the additional support for employability. As previously mentioned the scale, pace, multiplicity and fluidity of the emerging new initiatives and funding opportunities will however present a significant challenge for the Economic Development service to deliver within the current operating year, given capacity limitations and the local labour market context. The Place service is undergoing a restructure and as part of this process, there will be a redesign of the Economic Development service in order to be able to respond to the new challenges and changing priorities.
- 3.29. Scottish Government recognises a place base approach is essential and Local Employability Partnerships (LEPs) led by Local Government have a key role to play. This has some significant differences for the role that the Clackmannanshire LEP currently plays and would include commissioning services for which the current LEP arrangement is not fit for purpose.
- 3.30. In driving forward a place base approach, the Council will need to work with Clackmannanshire Alliance partners to review and reshape the work and strategic relationships of the Clackmannanshire LEP in order to fulfil Scottish Government expectations. The LEP includes representatives from DWP, SDS, Forth Valley College, CTSI, NHS Forth Valley and various Council services (i.e. Education, Economic Development, Criminal Justice.) The LEP will play a key role in driving forward the shared ambitions of No One Left Behind and the response to Covid-19 to ensure that employability services are designed to best meet local and individual needs. This report recommends that the Place Service leads this review on behalf of the Council and brings recommendations for change to the Alliance.

### ***Opportunities for Regional Working***

- 3.31. Senior Economic Development Managers across the 3 Forth Valley Local Authorities are working together to explore areas of mutual interest such as employability where value could be added by working regionally.
- 3.32. There are already areas of work that are delivered regionally. The 3 Forth Valley Local Authorities deliver the Fair Start Scotland service (mentioned in 3.7) and the Business Gateway service is delivered on a regional basis. We are also working regionally across Stirling and Clackmannanshire for City Region Deal Skills & Inclusion programme (see 3.22) and the Fair Work Incentive (see 3.14).
- 3.33. A joint bid to deliver places for the UK Government Kickstart scheme with the 3 Councils acting as both intermediary organisations and employers (see 3.23) is one of the opportunities currently being explored. There is also scope for the 3 Local Authorities to consider a joint Forth Valley Local Employability Partnership (LEP) to support the roll out No One Left Behind which comes with the expectation that Local Authorities sign up to a new LEP Framework that will commission services. Officers involved in the management and delivery of employability services will not be able to participate in the commissioning process to avoid any conflict of interest. The creation of a regional joint vehicle to conduct the commissioning process and manage the subsequent contracts could be advantageous.

## **4.0 Sustainability Implications**

## **5.0 Resource Implications**

- 5.1. There are resource implications within the existing staff complement to develop and implement new initiatives and realign current services to meet changing priorities at a local level. There will be additional staff resource required to deliver new initiatives – see also *Staffing* below.
- 5.2. *Financial Details*
- 5.3. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ✓
- 5.4. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ✓
- 5.5. *Staffing*

Subject to approval of the extension to the Fair Start Scotland contract, there will be a requirement to extend the contracts of the staff involved in the delivery of this service. There may also be a need to consider additional staff



resource in order to be able to deliver some of the new initiatives that are highlighted in 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 )

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all	X
Our families; children and young people will have the best possible start in life	X
Women and girls will be confident and aspirational, and achieve their full potential	X
Our communities will be resilient and empowered so that they can thrive and flourish	X

(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 – Employability Programmes delivered by Clackmannanshire Works

Appendix B - Claimant Count Statistics Briefing September 2020

## 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

### Author(s)

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### Approved by

NAME	DESIGNATION	SIGNATURE
Pete Leonard	Strategic Director (Place)	

### **Employability Programmes**

The following programmes/services are delivered under the banner of Clackmannanshire Works which is the Council's employability service:

#### **ESF Employability Pipeline Programme**

Provides one-to-one Key Worker support to individuals aged 16 – 67 with multiple barriers to help address barriers to employment. Support includes confidence building, IT skills, money advice, jobsearch skills (job applications, CVs, interview techniques), access to volunteering and work taster opportunities and industry specific training. This programme is not time limited.

Progression – Employment, FE, Progression along the Employability Pipeline

#### **Fair Start Scotland (FSS)**

Delivers locally targeted employment support for unemployed people who are disabled, have health conditions and are at risk of long-term unemployment and who are no more than 12 months away from being able to enter sustained employment. The service provides 12 months pre-employment support and 12 months in-work support – a total of 2 years' support entitlement.

Progression – Employment including Self-Employment is main outcome (due to funding) but we will support, where possible, those not getting a job to progress along the employability pipeline.

#### **Employability Fund Stage 3**

This is an 8 – 10 week programme for young people aged 16 – 18 who lack skills and experience. Where possible, young people will be placed with local employers for work experience. However, due to the current pandemic more of the employability and career management skills will be delivered on-line on a one-to-one basis with a Vocational Training Officer. Training leading to an employability award or an industry specific qualification is offered. A training allowance of £55 per week plus travel expenses over £3 is paid to young people during the programme.

Progression – FE, Employment, Modern Apprenticeships

#### **Modern Apprenticeships**

A Modern Apprenticeship is a job which lets individuals earn a wage and gain an industry recognised qualification. Clackmannanshire Works offers a range of Modern Apprenticeship opportunities across the Council in Business Administration, Childcare, Construction Trades (Plumbing, Joinery, Electrical), and Civil Engineering (Roads). Modern Apprenticeship opportunities are advertised throughout the year on the Myjobscotland portal and vary in length from 1 to 4 years.

Entry Level – qualification requirements vary depending on type of Modern Apprenticeship

### **Fair Work Incentive**

This is an employer recruitment incentive targeted at supporting unemployed individuals aged 16 – 67 with a minimum of one barrier to help them into work. Employers receive up to £2,000 if they employ an eligible individual for a minimum of one year. The Fair Work Incentive can be used to progress individuals from other employability and training programmes by incentivising individuals to employers.

### **Parental Employability Support**

A new Key Worker service is being developed to support parents who are unemployed and parents who experience in-work poverty.

**The following is delivered by the Council's Youth Services CLD Team:**

### **Activity Agreements**

Provides 12 – 18 months of learning and employability support to young people aged 16 – 19 who are at risk of not being in employment, education or training. Generally targets school leavers who are at Stage 1 / 2 of the employability pipeline. An Education Maintenance Allowance of £30 per week is paid where applicable. Travel expenses, lunch and access to a digital device for online learning are provided.

Progression – FE, Employment, Modern Apprenticeships, Progression along Employability Pipeline

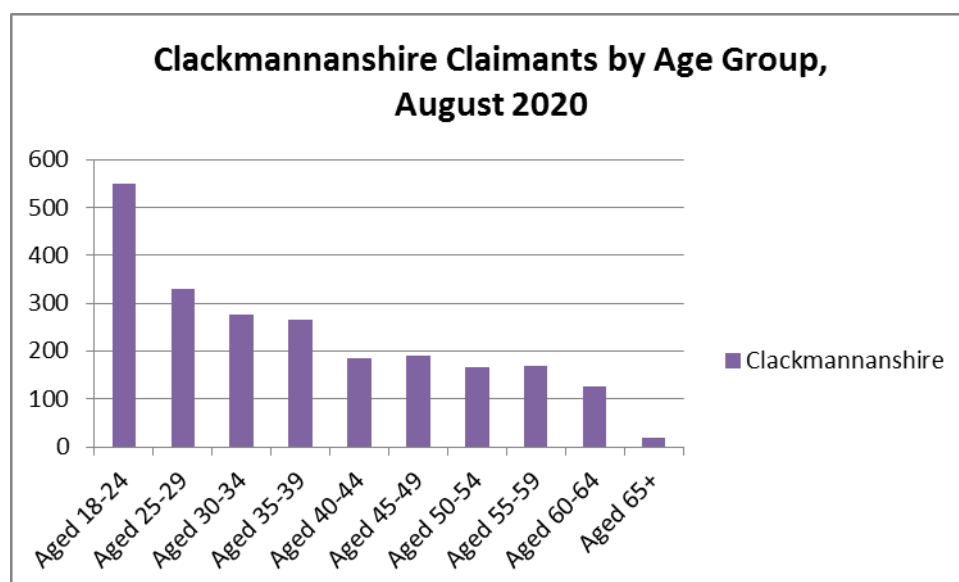
## Claimant Count Statistics Briefing September 2020

### Clackmannanshire Statistics

Figures quoted in this briefing relate to the September 2020 release of figures by ONS which refers to data up to the end of August 2020. The Claimant Count is the number of people claiming benefit principally for the reason of being unemployed.

At the end of August 2020 Clackmannanshire has 2,290 claimants; a rise of 900 since February. Of these 1,390 are male and 900 female. It has the 8<sup>th</sup> highest rate of claimant count of 32 Scottish local authorities at 7.1% with North Ayrshire being the highest at 89.0% and Orkney lowest at 3.2%.

Whilst all age groups are impacted young people aged 18 – 24 are experiencing the most significant impact. 13.7% of this age group are claimants. This is the 4<sup>th</sup> highest rate in Scotland with North Ayrshire being the highest at 15.2% and the City of Edinburgh lowest at 5.7%. Within this the situation is marginally worse for 18-21 year olds with 15.0% claiming, the 2<sup>nd</sup> highest rate in Scotland (equal to East Ayrshire). 550 18 to 24 year olds are now claiming. It should also be noted, as illustrated in the chart below, that numbers in the age groups between 25 and 39 are also relatively high when compared to those over 40.



### Regional Comparison

Table 1 and figures 1 and 2 overleaf show the proportion of people from the total of the age group who are claiming and the rate at which this is rising compared to other areas. These suggest that whilst the rate of increase is similar Clackmannanshire starts from a higher base and tracks proportionately higher. For Clackmannanshire the key issue is proportionate impact rather than volume. This is in a context of a small business base and low jobs density even prior to the COVID pandemic.

Falkirk and Stirling have greater numbers of claimants relative to their larger populations. For young people in the 18-24 age group by proportion of population the same age Stirling (670 young people) is well below the Scottish average with a rate only higher than 2 other local authorities. Falkirk is above the Scottish average, ranked 12<sup>th</sup> worst (1,300 young people). As previously mentioned Clackmannanshire has the 4<sup>th</sup> highest rate in Scotland (550 young people).

Age	Clackmannanshire	Falkirk	Stirling	Scotland	Great Britain
Total Age 16+	7.1	6.3	5.2	6.5	6.6
Aged 18-24	13.7	10.6	6.5	9.8	9.4
Aged 18-21	15.0	10.9	6.2	9.9	9.2
Aged 25-49	8.0	6.7	6.0	7.2	7.2
Aged 50+	4.2	4.5	3.8	4.7	4.9
Total by Volume	2,290	6,420	3,150	-	-

Table 1: Percentage Claimant Count July 2020

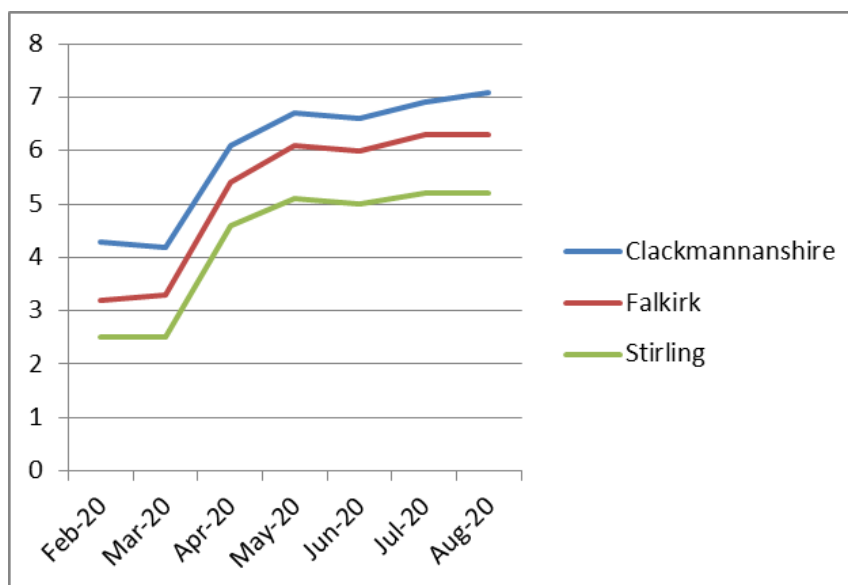


Figure 1: Claimant Count All Ages, February to August 2020

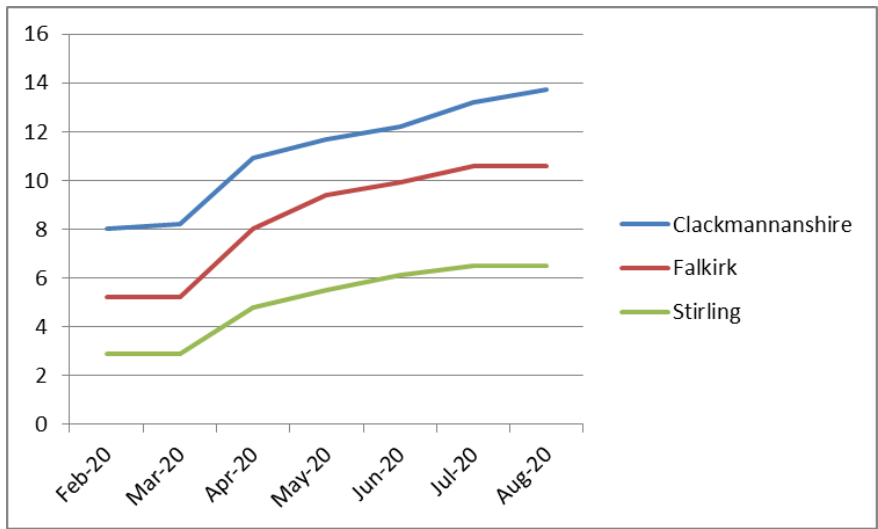


Figure 2: Claimant Count Ages 18-24, February to August 2020

