
Report to Enterprise & Environment

Date of Meeting: 7th November, 2013

**Subject: Council Support for Economic Development in
Clackmannanshire**

Report by: Director of Services to Communities

1.0 Purpose

- 1.1. The purpose of this report is to give the Committee an overview of Clackmannanshire's economic and employment position and update members on the range of work being undertaken by our Economic Development team both directly and in a partnership / supportive role, to help investors, businesses, employers and those in or seeking employment.
- 1.2. A further report will be prepared for the Committee of 27th March, 2014 to advise members of the outcome of our work during 2013.

2.0 Recommendations

- 2.1 It is recommended that the Council note the work being undertaken to support economic development in Clackmannanshire.

3.0 Considerations

- 3.1 Support for economic development is a priority of the Clackmannanshire Alliance. The Alliance's Single Outcome Agreement for 2013-2023 has Economy and Growth as one of the two key priority areas. Priority outcomes look for Clackmannanshire to have a positive image and attract business and people, and for people to be better skilled, trained and ready for learning and employment. Employment and economic recovery and growth are key areas of focus.
- 3.2 Support for economic development is also a priority for the Council. 'Taking Clackmannanshire Forward' contains the Council's corporate priorities for 2012-2017. The Council confirms its support to create a positive environment for local businesses and employers, and have numerous priority actions to give people better opportunities for training, development and employment. It also looks to attract new businesses and support existing businesses.

- 3.3 The impact of welfare reform and public sector spending cuts, allied to the ongoing downturn in the economy, was highlighted in a report to the Council's Resources and Audit Committee on 4th October 2012. Employability initiatives have a pivotal role to play in reducing the impact on Council resources of these trends by equipping residents to find employment and by working with local employers to create more jobs.
- 3.4 That Clackmannanshire Alliance and the Council prioritise economic development activities is a reflection of local need. The economic profile for Clackmannanshire provides a stark situation. Key facts are:
- Our working age population is decreasing, even though our overall population is increasing. Currently 65.1% are between 16 and 64 years of age.
 - The number of our economically active ¹residents is decreasing. Over the last 4 years, the proportion of economically active working age adults has fallen by 3.5% to 73.5%.
 - Our economically inactive working age adults have correspondingly increased by 1,300 over the last 3 years: most of these are women (68%).
 - the biggest increase is in the number of working age people retiring (up by 900 to 2,100).
 - number of students has increased by 500 which is positive.
 - long term sickness levels (31% of economically inactive people are long term sick) is slightly higher than the Scottish average.
 - From 2 years ago, we experienced the highest fall in Scotland for our employment rate with a 7.8% reduction.
 - Our unemployment ²rate had significantly increased over a three year period (April 2010 to March 2013) with a 4.4% increase (100 people) compared to a Scottish increase of 0.1%. However, last year, this fell by 1.6% (400 people) which is also higher than the Scottish figure of 0.2%. Clackmannanshire is the 9th highest Scottish local authority area for unemployment.
 - A year ago, we had the highest rate of youth unemployment in Scotland. ³ One year on, this has fallen by 17% (105 youths).
 - In 2012, 28.9% of Clackmannanshire households are 'workless households' where there is no-one of working age in employment. This is the second highest in Scotland. In 2011, it was 31.1% and the highest in Scotland. The main reasons for workless households in Scotland are disability (32.5%) and retirement of working age persons (18.6%).⁴

¹ Persons either in employment or unemployed

² Those without work, available for work and actively looking for work

³ The proportion of 16-24 year olds claiming Job Seekers Allowance (JSA)

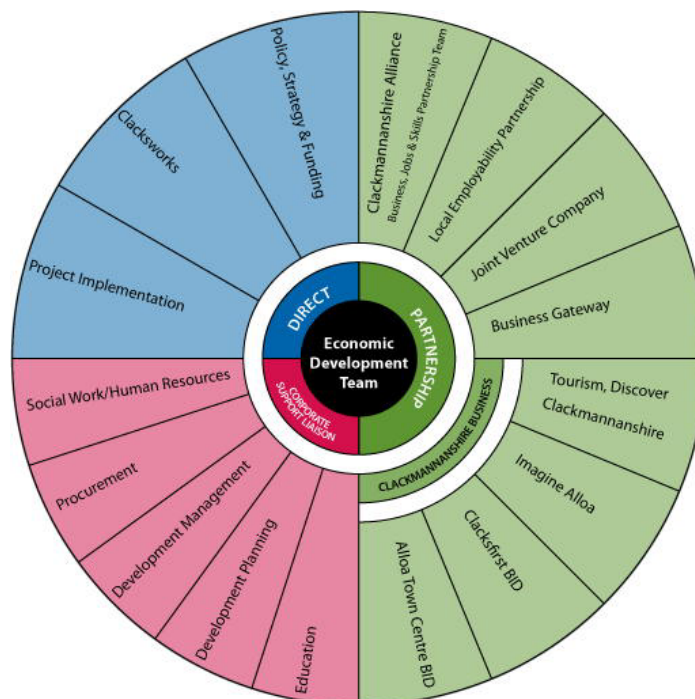
⁴ Figures are not available for Clackmannanshire

- Clackmannanshire's job density⁵ is the third lowest in Scotland. This is concerning as job density is one of the most indicative measures of the health of a local economy. Our current job density is 0.48 (ie. Almost one job for every 2 working age people). It has fluctuated since 2000 between 0.51 (2000) and 0.47 (2003,2006,2009). Low job density tends to appear in areas where there is high outward commuting to other nearby local areas, there is high unemployment and inactivity and there are not many big employers in the area.
- The number of registered businesses has increased by 9% since 2000 and now sits at 1,180, from a high of 1,200 in 2009. However, there are still higher business deaths per annum than business starts (2009-2010 was the only period since 2004 that had a higher level of starts over deaths).

3.5 The statistical context makes it clear that in Clackmannanshire we simply need more jobs, better access to jobs in neighbouring areas and more people working. The challenge for the Council is how to best help achieve these outcomes.

3.6 What the Council does for economic development in Clackmannanshire

3.6.1 The Council's Economic Development service is now delivered corporately within Community & Regulatory Services having been fragmented across the Council prior to 2011. The Economic Development Team are focussed on providing the direct activity and supporting activities shown in the diagram below :



3.6.2 In addition, the Team works with other partners including Skills Development Scotland, Department of Works and Pensions, Scottish Enterprise, Visitscotland, NHS, Forth Valley College, Clackmannanshire Third Sector

⁵ The total number of jobs in an area divided by the resident population of working age in the area

Interface (CTSI) and Ceteris. At the national level we are members of Scottish Local Authority Economic Development, the Scottish Employability Forum and the Workforce Plus National Delivery Group.

3.6.3 The Economic Development team has a core budget of £705,000⁶ and currently secure an additional £3.5 million of external funding.

3.6.4 The following paragraphs (3.7 - 3.9) provide an overview of the key activities undertaken by the Economic Development Team, (as shown in previous diagram). Summary of the work in each area will give an overview of the wide range of activities we are engaged in to support economic development outcomes in Clackmannanshire.

3.7 DIRECT ACTIVITIES

The Council's Economic Development team is responsible for the direct delivery of services under three main headings:

- Strategy, Policy and Funding
- Clackworks (Employability, Business Support and Vocational Training)
- Projects

3.7.1 Strategy, Policy and Funding

The team has played a core role in developing strategic frameworks for delivering a range of measures designed to support and develop the area's economy. These include *Building Clackmannanshire*, the Community Planning partner's economic strategy, as well as the Clackmannanshire Employability Strategy.

An important area of work relates to lobbying and advocacy on behalf of the Council either directly through responses to consultations or through membership of networking groups such as the SLAED (Scottish Local Authorities Economic Development) group or through the Community Planning Partnership (CPP) network. The team has recently submitted a bid in response to current consultation on the Assisted Areas Map 2014-2020. Local Authorities have been asked to redefine their maps on the basis of coverage for 80% of the existing population coverage (currently totalling 24000) with the other 20% providing flexibility for changes in national coverage. Stage 2 of this process will seek views on a draft Map and consultation is expected to commence late 2013 / early 2014. Liaison with Clackmannanshire Business and Clacksfirst was undertaken as well as with the Local Business Gateway contractor.

The team is responsible for bidding for external funds from a variety of sources, including European Structural Funds, the Scottish Government, Skills Development Scotland, the Heritage Lottery Fund, Event Scotland and the Coastal Communities Fund.

A key aspect of the team's work is to raise investor and visitor awareness of Clackmannanshire. We work closely with Clackmannanshire Business on the

⁶ Clackworks £388,190 , Economic Services £316,850

Imagine Alloa campaign and contribute to VisitScotland marketing initiatives. We work with local businesses and organisations to support their attendance at trade and consumer exhibitions. We also provide support for events aimed at bringing visitors to the area and this year that includes the Gartmorn Dam Tercentenary and the Clackmannanshire Storytelling Festival. Finally, we promote Clackmannanshire as a film location through *Clackmannanshire on Screen* and develop and maintain the *clackmannanshiretourism.com* website

3.7.2 Clackworks

Employability, Business Support and Vocational Training is delivered under the 'Clackmannanshire Works' banner and brings together employability, business development and training functions. Until the establishment of Clackmannanshire Works in its current form in 2011 these functions had been delivered through different parts of the Council.

Clackworks is set up to :

- deliver services for workless clients which better prepare them for the labour market (*including CVs, job applications, interview techniques, confidence building, certificated training*)
- upskill clients in low skilled and/or low paid employment (*including certificated training*)
- deliver and manage national training programmes such as Modern Apprenticeships (*child-care, business and administration, customer care and construction crafts*)
- support the development of key sectors (*including construction and tourism*)
- supporting the growth and development of existing local businesses
- provide services and support for potential and new entrepreneurs
- employer engagement (*including matching individuals to job opportunities and providing advice to businesses on recruitment and training and access to funding*)

A major focus on developing the new model was to ensure integration of team activity and resources across all 5 stages of the Scottish Government's Strategic Skills Pipeline (see below). Stronger relationships have been built up with local employers and more opportunities have been created for unemployed residents to pursue upskilling and job experience opportunities.

Table 1 Strategic Skills Pipeline

| | Type of Activity | Client Status |
|----------------|---|---------------|
| Stage 1 | Referral / Engagement | Not Job Ready |
| Stage 2 | Barrier removal | Not Job Ready |
| Stage 3 | Vocational activity | Job Ready |
| Stage 4 | Employer Support, Engagement & Job Matching | Job Ready |
| Stage 5 | In-Work/Aftercare & Skills Development | In Work |

As well as these outcomes there are also wider implications for the Council and other public services as Clackmannanshire Works clients are likely to be in receipt of benefits or seeking advice from other Council services as well as Government agencies. Working with clients to obtain successful outcomes means that there is likely to be less need for ongoing support from these other services.

The service is currently involved in two delivery projects :

- Ochils Landscape Partnership project which between 2011-14 will deliver up to 22 separate projects aimed at enhancing access to the Hillfoots and wider Ochil Hills areas. It has a value of £2,262,000 with 95% of this being external funding. Specific training has been provided for 11 people and the 350 volunteers to date have received informal training.
- Forth Coastal Communities Project which between 2013-15 will deliver enhanced access and environmental opportunities along the Forth Estuary as well as up to 20 employment and training positions for unemployed Clackmannanshire residents in nature conservation and coastal and land management projects. This has a value of £230,000 with 100% external funding.

Details of the employment, work experience and business support initiatives currently being delivered by the Economic Development team are listed in Appendix 1.

3.8 PARTNERSHIP

The team works in partnership to achieve many of the outcomes, which include an enhancement of the profile of Clackmannanshire for new investors and liaison with the business community.

- 3.8.1 **Clackmannanshire Business** was established in 2007, as the formal body to promote collaboration between the Council and the business community. Two elected members and the Director of Services to Communities sit on the Board with eight other directors who represent local business sectors. Clackmannanshire Business Board members also sit on the Council's Enterprise and Environment Committee as co-opted representatives.

The priorities for Clackmannanshire Business are agreed every three years; the current priorities being:

- Marketing / promotion to attract business investment (*there is an ongoing campaign*)
- Support for the two existing Business Improvement Districts and consideration of further BIDs (*In March this year Clacksfirst was successful in achieving a second 5 year term, and the Alloa Town Centre BID achieved success for its second term on October 15th. The Council has a representative on the Board of each BID*).
- Networking and topic based information events (*these are very well attended and cover topics, such as procurement, zero waste assessment, pensions and Clacksmax Broadband. There is also an annual 'Showcase your Business' event*),

- Business surveys / health checks (*an Alloa Town Centre health check was undertaken 2 years ago and a further health check will be undertaken to assist preparation of a strategy*).

The Board meet four times a year to discuss activities / progress in respect of the priorities, but also to discuss any emerging issues of concern. Recent issues have included parking in Alloa Town Centre (resulting in the potential to allow parking in loading bays at certain times of the day) and the potential impact for Clackmannanshire from neighbouring authorities' actions, particularly from the Falkirk Tax Incremental Financing (TIF) scheme. This is a mechanism whereby Council's can fund infrastructure by borrowing against future business rates income that should be generated by the resulting regeneration and development. Falkirk has a 25 year plan which will contribute to major flood defences to protect the port and refinery at Grangemouth and will include improvements to motorway links, thereby unlocking significant areas of business space.

While Falkirk Council are looking to provide additional business land, in Clackmannanshire we already have a significant amount of business land (currently 158 hectares much of which is serviced) and significantly improved connectivity.

We have recently secured over £30 million investment at Dumyat and Blackgrange with Council support, this also involving requirements for local employment / apprenticeship places.

Clackmannanshire Business and Clackfirst support a promotion / marketing programme which currently involves the Imagine Alloa campaign which provides roadside advertising throughout Central Scotland, advertising on buses throughout Scotland with a focus on the Central belt between Edinburgh and Glasgow (with 100-250 buses at any time) and recent airport advertising. Prior work involved direct targeting of business in neighbouring authorities to locate in Clackmannanshire and this is to be reactivated with enhanced direct contact to follow up the advertising awareness campaign.

- 3.8.2 The team is a member of the Management and Steering Groups of the Forth Valley **Business Gateway** contract. This delivers a range of standardised business start-up and support activities and is delivered locally through Ceteris. The Management Group meets monthly to review progress of the contract against targets.
- 3.8.3 The Council is a partner in two **Joint Venture Partnerships**: Clackmannanshire Investments Ltd and Clackmannanshire Developments Ltd. The original company was established in 1996 and restructured in 2003 to form these two companies. The companies own premises and land at Dumyat Business Park, Tullibody and at Pavillions, Alloa. Currently the company is seeking to let / sell all its premises and options are being considered to help service more of the available land in order that it can be used to attract further business development.
- 3.8.4 Members of the team represent the Council on the **Local Employability Partnership (LEP)** as well as providing secretariat support to the Chair. The LEP has an Action Plan which is reviewed on an annual basis. The focus is currently on delivering 6 Strategic Projects:

- Mapping of services available against the Strategic Skills Pipeline
- Corporate Parenting
- Employer Engagement
- Creating Jobs
- Maximising employment and training benefits from public expenditure
- Evaluation

3.8.5 Members of the team also represent the Council on the Business Jobs and Skills Partnership Team - one of the two thematic groups supporting the **Clackmannanshire Alliance** in the delivery of SOA objectives.

3.9 Corporate Support / Liaison

The team works closely with other services across the Council and adds value to various areas of work as they relate to and impact upon economic development activities and outcomes.

3.9.1 Education

Economic Development have 2 formal Service Level Agreements with Education providing European Structural Funds to support the delivery of programmes for young people.

Activity Agreements are delivered by Youth Services staff and support young people who need targeted support to make the transition from school to education, employment or training.

The **Rural & Urban Training Scheme** (RUTS) run a programme for school aged pupils identified as being at risk of not progressing into education, employment or training. The programme uses a motorbike maintenance programme to help young people engage more positively in learning.

3.9.2 Development Planning

The Local Development Plan allocates sites for business development and contains policies that seeks to support appropriate business development. It has sustainable economic growth as its overarching objective. The business community are involved in the Local Development Plan process through Clackmannanshire Business, Clackmannanshire Alliance's Business, Jobs and Skills Partnership Team and the Business Development Districts. The new Local Development Plan which was approved by Council on 24th October, 2013 also refers to the national review of town centres being undertaken by Scottish Government to promote a long term approach to regeneration and the Local Development Plan looks to maintain and enhance the health and vitality of our town centres.

3.9.3 Development Management

The team provides input to Development Management on business applications. The Development Management Team is customer focussed and has a dedicated officer that deals with business applications and this, together with a 'can do' attitude, provides businesses with a positive and responsive planning service. We remain a top performing Council with a reputation for quick decision making.

3.9.4 Procurement

The Council's procurement activities assist the local economy in two ways:

- providing employment and training opportunities through community benefits clauses
- providing opportunities for local businesses to win Council and other public sector contracts

Measures to encourage this approach were agreed by the Council in March 2012 when a report on '*Supporting Businesses through Procurement*' was considered. Since then the Economic Development team has worked with the Council's Procurement Manager to support businesses to compete more successfully for public sector contracts. This includes membership of the Supplier Development programme which helps SMEs to understand the tendering process and develop skills to compete effectively for contracts. The team also provides inputs to community benefit clauses in Council contracts and manages any employment and training placements arising from these activities.

3.9.5 Social Work/Human Resources

Economic Development officers played a significant part in the development of the Council's Family Firm programme. This is aimed at providing work experience and employment opportunities for children in care.

3.10 Key Outcomes

We are currently looking to:

- Support 1600 clients to enable them to move towards employment through the Clackmannanshire Works European funded programme (2011-14)
- For 325 of these clients to enter employment (2011-2014)
- For a further 675 participants to gain a training or employment qualification based outcome (2011-14)
- Support 185 enterprises (2011-14)
- Provide employment opportunities for 32 clients through the Clackmannanshire Apprenticeship Initiative (2013-14)
- Provide work experience opportunities for 20 clients through the Youth Employment Scotland fund (2013-14)
- Provide work experience and vocational training opportunities for 25 unemployed residents through our Employability Fund contract with SDS (2013-14)
- Manage 61 Modern Apprenticeship opportunities through our contract with SDS (2013-14)
- Manage up to 20 employment opportunities through the Clackmannanshire Forth Coastal Project (2013-15)
- Deliver 22 projects under the Ochils Landscape Partnership initiative (2011-14)

4.0 Conclusion

The employment and unemployment statistics for Clackmannanshire highlight the extent of the challenge for the area. This report confirms that the Council, through various activities, directly and in a partnership or supportive role is actively and successfully working towards addressing the problems.

| NAME | DESIGNATION | TEL NO / EXTENSION |
|----------------|----------------------------------|---------------------------|
| Julie Hamilton | Development Services Manager | 2657 |
| Ian Fraser | Economic Development Team Leader | 2293 |

| NAME | DESIGNATION | SIGNATURE |
|--------------|-------------------------------------|------------------|
| Garry Dallas | Director of Services to Communities | Signed: G Dallas |
| | | |

SUPPORT FOR LOCAL PEOPLE AND BUSINESSES

Clackmannanshire Works - European Structural Funds

| What we're doing | How we're getting on |
|---|---|
| <p>This is the biggest programme we run and is funded by both the Council and European Structural Funds. This programme helps local people progress towards work or into work through advice, referrals, training, job brokerage, business start-up and other activities. It started on July 2011 and is due to finish at the end of June 2014. The programme is delivered by our own team in the Council and also by other partners (CTSI, Education and Performance and Partnership Support).</p> | <p>The programme has supported 1307 local people since July 2011. Of these 353 have gone into employment including 76 who have started their own business. A further 296 have achieved a training or qualification based outcome. Half of our clients have, therefore, achieved a positive outcome.</p> |

Clackmannanshire Apprenticeship initiative

| What we're doing | How we're getting on |
|---|---|
| <p>This is a programme providing an employment recruitment incentive funded by the Council. Training costs are borne by SDS. The initiative helps more young people into apprenticeships by assisting local businesses in the private sector to create additional opportunities. The initiative originally hoped to provide 40 additional apprenticeship opportunities and was launched in late 2012.</p> | <p>26 places have been created with a further 4 due to start. The budget available for this initiative is now nearly fully committed with a likely cap of 32/33 apprenticeship places available in total.</p> |

Youth Employment Scotland Fund

| What we're doing | How we're getting on |
|---|--|
| <p>This is funded by the Scottish Government and the European Social Fund. Following a successful bid by the Council, this programme helps businesses to create new jobs by offering a recruitment incentive for job ready young people aged 16-24, looking for work experience and who have been unemployed for up to 6 months</p> | <p>Starting in May 2013 we have filled 10 of the 20 places available</p> |

Employability Fund

| What we're doing | How we're getting on |
|--|---|
| <p>The Employability Fund was created by SDS and took effect from April 2013. It replaces previous programmes such as Lifeskills, Get Ready for Work and Training for Work. The Council has been awarded a contract to deliver 25 places. 20 of these are for 16-17 year olds who require work experience and vocational training.</p> | <p>Of the 25 places we have for 2013-14, 16 have been filled.</p> |

Modern Apprenticeships

| What we're doing | How we're getting on |
|--|--|
| <p>The Council made a successful bid to SDS to deliver 26 Modern Apprenticeship (MA) opportunities in 2013-14. This is in addition to supporting 35 existing MAs who have started in previous years. We currently deliver MAs in Business Administration, Childcare, Customer Service and Construction Crafts. All MAs are employed by the Council or local companies. We have an excellent track record of supporting clients through their MA qualifications with an achievement rate consistently over 90% (last year 100%), and are recognised by the funder, SDS, as an exemplar in this respect.</p> | <p>Of the 26 new places we have for 2013, 10 have been filled. We anticipate placing the others by the end of the year. The Council currently employs 17 of the 61 MAs we are currently contracted to support.</p> |

Clackmannanshire Forth Coastal Project

| What we're doing | How we're getting on |
|--|--|
| <p>The Council was successful in a bid to the Big Lottery for this initiative. This is a two year initiative backed by funding of £230000 and brings together conservation and improvement of the Inner Forth Estuary with related employment and training opportunities in nature conservation and associated activities. Economic Development provides assistance with the recruitment, training and monitoring of the employment and training opportunities</p> | <p>Recruitment has taken place to 2 of the 4 places we have for 2013-14,</p> |

Community Benefits

| What we're doing | How we're getting on |
|---|--|
| <p>Economic Development has been supporting the delivery of Community Benefits through 5 Council contracts. The support includes working with successful contractors to recruit local people for apprenticeships, work experience and other employment opportunities created through the contracts.</p> | <p>Since January 2012, we have supported 5 contractors across 8 Council contracts in the implementation of their community benefit commitments. Targeted recruitment and training achievements to end September 2103 include:</p> <p>Work Experience Placements (14-16) - 19 Work Experience Placements (16+) - 15 Apprentice Starts -10 Additional Employee Starts - 19 Curriculum Support Activities - 20 Supplier Days - 1</p> <p>In the delivery of the Kilncraigs Campus project, we managed to secure an additional benefit from the contractor in the form of materials and equipment to upgrade a community path.</p> |

Working with Businesses

| What we're doing | How we're getting on |
|--|--|
| As well as working with unemployed residents looking to start their own businesses the team works with a range of local companies to support growth ambitions and help support them in recruitment and upskilling requirements | We are currently working with 272 businesses |