

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest is a shield divided into four quadrants. The top-left quadrant shows a sailing ship on wavy lines representing water. The top-right quadrant shows a stag's head with large antlers. The bottom-left quadrant shows a beaver. The bottom-right quadrant shows a grizzly bear. Above the shield is a crown with four maple leaves. A banner at the bottom of the shield contains the motto "A NE FOR A".

Agenda Item 9

Employability Update

Falkirk Council

Title: Employability Update
Meeting: Scrutiny Committee
Date: 11 Nov 2021
Submitted By: Acting Director of Development Services

1. Purpose of Report

- 1.1 The report below summarises the performance and impact of local employability provision across the Falkirk Council area in response to the Covid-19 pandemic including actions to support economic recovery and mitigate wider implications of unemployment, inactivity and poverty. In addition, this report indicates, for Member scrutiny, the work undertaken to utilise both Scottish Government and UK Government employability support investment and the progress towards phase 2 of the Scottish Government 'No One Left Behind' strategy.

2. Recommendation

2.1 It is recommended that the Scrutiny Committee

- a) Notes the report below on the Council's co-ordination of employability services in response to the Covid-19 pandemic**
- b) Notes the work undertaken to utilise additional investment provided during this period**
- c) Considers if this report requires to be forwarded to Executive for consideration, along with any additional comments that Scrutiny Committee would like to make to inform the current financial implications of additional funding and local implementation of phase 2 of 'No One Left Behind' from April 2022.**

3. Background

- 3.1 In March 2020, as Covid-19 lockdown restrictions were imposed, employability services locally and nationally were required to adapt service delivery to be more flexible and responsive, providing telephone appointments and virtual training in very uncertain circumstances. Employability services in the Falkirk area are coordinated by the Council's Employment and Training Unit (ETU). Helpfully, the Unit was in a strong position to respond due to investment made to upgrade IT equipment in the first year (2018) of Fair Start Scotland delivery. However, Third Sector providers ETU would typically commission to deliver local training and specialist support provision, were either being mobilised to support local COVID emergency support to communities or closing temporarily and furloughing staff.

This limited ETU's ability to offer the variety of training and support interventions and delayed the progressions of participants.

- 3.2 Council Members will be aware of the impact the pandemic had on our local economy and the priorities of individuals within our communities in the early stages of the pandemic lockdown. This led to an initial decrease in new referrals and a higher 'fail to engage' rate as individuals provided additional caring responsibilities, supported the local volunteer effort or were genuinely fearful of progressing towards employment as the pandemic escalated.
- 3.3 Over the past 18 months the nation has been subjected to varying degrees of "lockdown" and, at the time of this report remains beyond level 0 with some protection measures remaining and all sectors and venues reopened.
- 3.4 The SDS Regional Skills Assessment Report for the Falkirk area suggests the impact of the pandemic on employment locally from 2019 to 2020 was estimated to have declined by 100 from 68,500 to 68,400 which is equivalent to 0.2% significantly less than the 0.7% decline across Scotland. There was a significant decline in employment within the Accommodation and Food Services industry with significant growth in the Health and Social Work sector. Overall employment in the Falkirk Council area is forecast to decline by 900 jobs from 2019 to 2021, as a result of the pandemic.
- 3.5 The number of job posts advertised locally has increased by 3.9% in the period of 1st June 2020 to 21st May 2021 which is a share of 2.3% of all job postings = c8000 jobs. This can be broken down to Falkirk 5,300, Grangemouth 1,500 and Larbert 600 local job postings. Further updated data is due at the end of October and this is anticipated to show a continued rise in local vacancies.
- 3.6 The number of furloughed jobs in the Falkirk area in May 2021 was 4,500 (2.6% of Scotland's furloughed workforce). Accommodation and Food services accounted for the most furloughed staff with 1000 (22.2%) furloughed jobs at this time. At the time of writing this report the Furlough Scheme has ended and as yet we have not seen the significant unemployment increase previously anticipated.
- 3.7 The overall claimant count in the Falkirk Council area is currently 4.4% = 4,440 people (*Sep 2021*) compared to the national average of 4.6%. This is an improvement from 5.9% in April 2021 and 4.7% in August 2021.
- 3.8 The claimant count is however higher for the 16-24 year old age range at 8% (885), compared to the national average of 6.8%. These statistics do however show a month on month improvement in youth unemployment rates both nationally and locally. Falkirk Council area: Aug 21 = 975, Sep 21 = 885 > 90. This is a direct result of targeted youth unemployment initiatives including the Young Persons Guarantee, funded by Scottish Government and the Kickstart Scheme funded by UK Government.
- 3.9 The claimant count for those aged 50+ of 3.1% continues to be better than the Scottish average rate of 3.4% and UK rate of 3.9%. (*NOMIS Official Labour Market Statistics Sep 2021*).

3.10 The actions of the Employment and Training Unit and the wider Local Employability Partnership in response to planned recovery were highlighted in the Council's Economic Recovery Plan, agreed at the September 2020 Emergency Executive and are summarised as follows;

- a) Lead on the management, co-ordination and response to additional Scottish and UK employability support for priority groups locally and regionally
- b) Securing additional investment to support those most disproportionately impacted by the COVID-19 pandemic to mitigate unemployment and poverty
- c) Digital Capacity Building: equipment, connectivity, and skills confidence, improving accessibility to employability support
- d) Developing access to a variety of quality online provision: training, personal development and health and wellbeing provision
- e) Prioritise support to ensure the completion of qualifications/Modern Apprenticeships, started prior to the pandemic
- f) Improved stakeholder engagement, marketing and communications methods to improve reach and accessibility
- g) Increase employer engagement activity and incentives contributing to labour market growth and economic recovery
- h) Providing additional support and resource to those experiencing redundancy or requiring skills development to move from a declining industry to a growth sector
- i) Strengthen partnership working and data sharing to make the most effective use of public investment, targeting our finite resources, contributing to strategic and operational decisions and in turn, improve the accessibility of support services for young people and priority groups

A summary of the performance relating to these actions is given below.

4. The Young Person Guarantee

- 4.1 The Young Person Guarantee (YPG) was established in response to the disproportionate impact of the pandemic on young people. A £60 million Scottish Government investment programme was agreed in 2020 as a collective effort by partners, involving Local Authorities, Developing the Young Workforce (DYW), Colleges and Universities, Skills Development Scotland and the Third Sector. The Guarantee aims to provide opportunities for all young people through education, apprenticeships, training, employment and volunteering to progress and succeed despite the economic impacts of the COVID-19 pandemic.
- 4.2 The local authority share of the fund was £30 million in 2020/2021 and £45 million in 2021/2022. The Young Persons Guarantee in Falkirk Council was initially provided to the Employment and Training Unit in November 2020 (£839,514) with an additional allocation being provided in June 2021 (£1,285,913).

- 4.3 The Employment and Training Unit has worked with the members of the Local Employability Partnership to ensure that resources and services are targeted at a wider range of young people locally and are providing services that meet individual need.

4.4 *Nov 2020 – Sept 2021 YPG Delivery and Performance*

Staffing Resource	1 x Principal Officer 4 x Employment & Training Co-ordinators (key workers) 1 x Employment Support Worker 1 x Financial Capability Officer (from community advice)
Delivery Impact	Started 287 participants 69 participants have gained a qualification. Others are still working towards qualifications to be achieved in 2021/2022 64 participants have started employment. 20 participants have started a modern apprenticeship 5 fully funded graduates have started employment within Falkirk Council March 2021 Increased digital capacity for 80 participants and their family. Procured 18 training programmes. Increased capacity with local third sector

5. Kickstart

- 5.1 The Kickstart scheme is funded through the UK Government and managed by the Department of Work and Pensions (DWP). The Scheme provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit. A start payment of £1,500 is paid to each employer to ensure training support is in place to develop the employment skills of each young person in addition to the wage costs based at National Minimum Wage rate for age, based on 25 hours per week for 6 months.
- 5.2 In Forth Valley, the three Councils applied to be a Gateway support organisation for local employers, to assist with the management and administration of opportunities and ensure sustainment pathways were being established for the young people engaging in Kickstart locally.
- 5.3 There was a significant delay in progress of the application due to DWP resource issues and subsequently a delay in local jobs being made live to local young people. Delivery was anticipated to begin in November 2020, however the first vacancy filled was in May 2021. Local Authorities were required to manage the frustrations expressed by businesses and employers and sought to maintain positive levels of opportunities locally.
- 5.4 There are currently 158 potential vacancies established with local employers in the Falkirk area with 212 in Stirling and 65 in Clackmannanshire which totals 435 across Forth Valley. There have been 120 starts to date from May 2021, of which 57 have been in the Falkirk Council area.

- 5.5 Kickstart opportunities have been made available within several Falkirk Council services and across all three Local Authorities.
- 5.6 The Forth Valley Gateway provider role generates £300 income for the Council for every young person starting a Kickstart job. If Falkirk fills all local vacancies anticipated this will generate £47,400, Stirling and Clackmannanshire Council will also generate equivalent income for each job start in their area. The combined income has been utilised to provide a dedicated Forth Valley Employment and Training Co-ordinator, employed and managed by Falkirk Councils Employment and Training Unit, to support successful delivery of the programme.
- 5.7 The last Kickstart job starts were originally due by 31st Dec 2021 however, as announced by the UK Government in October 2021, this has now been extended to 31st March 2022. Forth Valley will not be registering new employers on this scheme locally, however it will continue to work towards full utilisation of current available vacancies locally.

6. Child Poverty Action Plan: Parental Employment Support Fund (PESF)

- 6.1 This investment was made by Scottish Government to support the delivery of the PESF and subsequent PESF Boost programmes. It assists parents to increase earnings through employment and is aligned to both the local and national Child Poverty Action Plans, contributing to the target to reduce the number of children experiencing the effects of poverty by 2030.
- 6.2 The programme has a key focus on helping to meet the increasing challenge of in-work poverty, targeting support to help parents already in work through the provision of training and employability support to remain active in the workplace and gain progression through a rewarding career, as well as those recently unemployed and those that face complex barriers to work.
- 6.3 The Employment and Training Unit has been working with a variety of stakeholders to engage with families, focusing on the 6 target groups aligned to the poverty action plan.
- Lone Parents who are unemployed or experiencing in work poverty
 - Parents with a disability or families who are unemployed or experiencing in work poverty and have a disabled child
 - Parents who are unemployed or experiencing in work poverty and have 3 or more children
 - Parents from a minority ethnic background who are unemployed or experiencing in work poverty
 - Parents who are unemployed or experiencing in work poverty and have a youngest child <1.
 - Parents who are aged <25 who are unemployed or experiencing in work poverty

- 6.4 The programme collaborates with a variety of local stakeholders across Council Services, Health, Third Sector and Community organisation to engage with parents and ensure specialist advice and support is put in place that can support the whole family.
- 6.5 The programme has supported and funded eligible Falkirk Council Children's Services staff to undertake qualifications aligned to promoted posts subsequently contributing to the 1140 hours childcare expansion programme
- 6.6 New starts to this programme have been significantly hindered as a direct result of the pandemic. Parents have had to prioritise childcare commitments, home schooling, self-isolation and caring commitments ahead of opportunities for employment or career progression. However renewed community engagement and gateway programmes based within local communities are improving interest levels and providing better opportunities for local access to support.

7. Modern Apprenticeships

- 7.1 Many of the Council's Modern Apprenticeships were furloughed or sent home to work during the first lockdown. A combination of lack of work activities aligned to qualifications and training providers and assessors being furloughed meant a significant delay on the completion dates of the Modern Apprentices.
- 7.2 Employment and Training Unit staff continued to liaise with and support employers providing advice, guidance and signposting services regarding support for businesses during this period.
- 7.3 A priority action was to ensure participants could complete their qualification, initially by working with employers to ensure commitment to the additional time necessary to allow for Modern Apprentices to complete their qualification within their businesses and to consider and discuss the financial implications of this.
- 7.4 The initial impact on the economy of the varying lockdowns further hindered the available opportunities for Modern Apprentices in 2020/2021 and this was felt across all organisations supporting apprenticeship and foundation apprenticeships.
- 7.5 In response to this the Employment and Training Unit worked with colleagues in the HR service to develop a 'Refreshing the Workforce' paper to better align Modern Apprenticeship, Graduate, Trainee and employment opportunities to the succession planning across Falkirk Council departments. Analysis of skills shortages and aging workforce challenges identified two departments in greatest need, Social Care and Development Services front line staff.
- 7.6 Members agreed the Refreshing the Workforce report in August, including a decision to suspend the savings requirements for voluntary severance and flexible retirements that can provide a modern apprenticeship and will then slot the person into the vacancy created.
- 7.7 Information was provided to Heads of Service and Service Managers regarding

the paper at the end of August, with a presentation provided to ensure awareness of the current incentives and benefits aligned to recruiting a Modern Apprentice. This has generated interest from across Falkirk Council and will significantly improve the opportunities available for our young people within the remainder of this year and for some time to come.

8. Employer Recruitment Incentives

- 8.1 In response to the COVID-19 pandemic, in 2020, Falkirk Council, as part of the economic recovery plan, supported additional investment (£74,000) to support employer recruitment incentives and increased staffing resources within the ETU to generate and deliver opportunities to support participants aged 25+ and local businesses to create local jobs for local people.
- 8.2 Successful utilisation and implementation resulted in further investment from Falkirk Council as part of its ongoing Economic Recovery plan to extend staff contracts and increase the employer recruitment incentives further in 2021/2022.
- 8.3 In the period 2020/2021 51 job starts were linked to those established through employer recruitment incentives and many additional opportunities were committed to through external funding into the 2021/2022 period.
- 8.4 The opportunity to offer a consistent ERI offer to employers in private, third and public sector organisations has given the ETU and wider Local Employability Partnership more scope to engage with local employers, building productive relationships, supporting labour market growth and contributing to economic recovery.

9. Employment and Training Unit Current Programmes

Funding Stream	Info	2020/2021 Income	2021/2022 Income	Income
No One Left Behind: <ul style="list-style-type: none"> School Transitions programme 16-19 All age supports Individualised training for 25+ ERI for 25+ Group Training provision 25+ 	21/22 Grant offer letter not received until end of Sep 2021	£232,390.00	£232,390.00	Grant Award: Actual Spend
Parental Employment Support Fund (PESF & PESF BOOST) <ul style="list-style-type: none"> Parent's support Financial advice Childcare advice/funding Individualised and group training Personal development Community engagement and gateway provision 	21/22 Grant offer letter not received until end of Sep 2021	£217,400.00	£267,000.00	Grant Award: Actual Spend

Young Persons Guarantee <ul style="list-style-type: none"> • 16-24 keyworker and employability support • Group and individualised training • Personal development • Community engagement and gateway provision, targeting economically inactive and disengaged young people • Supported employment • Project Search • Employer engagement and employer recruitment incentives • Intermediate labour market programmes • Financial advice 	20/21 Grant Offer Letter not received until Nov 2020 21/22 Grant Offer Letter not received until end of June 2021	£839,514.00	£1,285,913.00	Grant Award: Actual Spend
Fair Start Scotland (FSS) <ul style="list-style-type: none"> • Scottish Government statutory Devolved Employment Support programme • All age • Health and Social Barriers to employment • Supported Employment • Individual Placement Service (Mental Health) • NHS Condition Management • Individual and group training • Keyworker and employability support 	Cost plus model applied to cover 2020/2021 period (full costs recovery) Extension to the original contract (2018-2021) for a further 2 years to 2023	£874,464.00	£430,695.00	Payment by Result Contract
European Structural Funds (ESF) <ul style="list-style-type: none"> • Support for those further from the labour market, longer term support requirements • Keyworker and employability support • Employer Recruitment Incentives • Soft skills and personal development programmes 	EU Freeze on all SG claims impacted expected income in 20/21/21. Funding and service delivery end date Dec 2022	£66,072.00	£591,999.00	Payment by Result Contract
National Training Programmes Employability Fund (EF) <ul style="list-style-type: none"> • Sector based training programmes stages 2-4) Modern Apprenticeships (MA)	EF provision end date 31st March 2022	£305,078.00	£578,677.00	Payment by Result Contract

Kickstart <ul style="list-style-type: none"> • Employer recruitment Incentive • 6 month paid employment • 16-24 UC 	Delay in application approval and vacancy sign off from DWP until May 2021 Programme extended to March 2022	£0.00	£47,400.00	Payment by Result Contract
Project Search <ul style="list-style-type: none"> • Partnership with FV College and NHS • 16-24 with learning disability or difficulty • Internship, learning and work experience programme • Term Time 	Partnership programme to support young people with learning disabilities to progress into employment	£0.00	£0.00	Core budget and YPG funded programme
Total Potential External Income		£2,534,918.00	£3,434,074.00	

9.1 Headline Performance

	2020/2021 (Quarter 4 data Apr 2020 to Mar 2021)	2021/2021 (Quarter 2 data to Apr to Sep 2021)
Number of new starts engaged in employability support delivered by ETU	1,349	596
Number of ETU participants gaining employment	146	221
Number of Modern Apprenticeships supported by ETU programmes	145	Not available until 30 th October

10. Considerations

10.1 In 2019 Scottish and Local Government signed a partnership agreement to work together and towards the successful implementation of the Scottish Government strategic plan for employability. The '*No One Left Behind*' strategy proposes a review and restructure of employability services, creating more integrated and aligned services that are collaboratively co-designed and governed at a local level to meet local need.

10.2 The Council of the Future Employability priority project is aligned to this strategy and provides an opportunity for review and restructuring of the Employment and Training Unit's activities, aligned with savings, required from 2023/2024.

- 10.3 Phase 2 of the *No One Left Behind*, strategy will come into effect from 1st April 2022. This will bring to an end the current Employability Fund contract (14.1m) managed by Skills Development Scotland and Community Jobs Scotland Programme (£5m) managed by SCVO.
- 10.4 This investment will be transferred to local authorities and local governance arrangements to be held by the Local Employability Partnership (LEP), reporting to the Community Planning Partnership Board. The Falkirk LEP is currently chaired by Falkirk Council's Employment and Training Unit Service Manager with membership including representatives from made up 12 local organisations/services, including Skills Development Scotland, NHS Forth Valley, Forth Valley College, Department of Work and Pensions, Business Gateway, Third Sector Interface and Council Service leads from Education, Community Learning and Development and Justice Services. The Phase 2 arrangement will bring together the management of a variety of Scottish Government grant funded programmes in future which will include *No One Left Behind* Local Funding (NOLB), Young Persons Guarantee (YPG) and Parental Employment Support Fund (PESF).
- 10.5 The assurance of strengthened and inclusive local partnerships is seen as a critical milestone by Scottish Government to demonstrate to stakeholders that all local authorities do (or will have) effective partnerships in place. These partnerships are viewed as critical given the emphasis on 'local governance' and the role that partnerships can play in enabling a mixed economy of local delivery.
- 10.6 The Falkirk LEP has developed a self-improvement plan in readiness for the implementation of the next phase of *NOLB* and continues to engage with wider Forth Valley stakeholders regarding inclusion in planning and readiness for delivery that aligns with the Scottish approach to service design and integration and alignment strategy.
- 10.7 Despite the ongoing positive progress locally, delivering NOLB, PESF, YPG and increasing the effectiveness of partnership working the 2021/22 grant offer letters were delayed. This had a significant impact on the ability to effectively plan, co-commission and deliver services.
- 10.8 The main financial issues that the employment and training unit are required to navigate to minimise impact in terms of successful delivery can be summarised as:
- disruption to service delivery due to the lateness of the YPG grant offer in 2020/21 (Nov 2020).
 - Changes to the payment methods from quarterly grant claim on commitment to actual spend in arrears
 - All 2021/22 expenditure has a "hard stop" of 31 March 2022 with no forward commitment allowed with the exception of Employer Recruitment Incentives (for YPG only) which will be honoured by Scottish Government from a 2022/23 budget allocation.

- Managing the late introduction of changes to funding and claim conditions
- 10.9 Recent audits, conducted by Skills Development Scotland, Scottish Qualifications Authority and Scottish Government Employability Division have shown that ETU's service delivery continues to be undertaken with 'High Confidence'.
- 10.10 Scottish Government has a further £20m of investment they have committed to in 21/22 to support an employer recruitment incentive programme for those long term unemployed. To date no grant offer letters have been received however it is anticipated that the Council's allocation will be in the region of £157,000, supporting a further 57 job by 31st March 2022.
- 10.11 The European Structural Funds will come to an end in Dec 2022. This fund has historically been an important tool in supporting those requiring longer term support interventions to progress to employment. ETU has been a significant beneficiary of these funds in past years. The UK Government has committed to a replacement UK Shared Prosperity Fund. As at this date no information has been forthcoming from UK Government regarding future contract details that might be available through these funds.

11. Implications

Financial

- 11.1 The future funding landscape for ETU remains dynamic and it is important to recognise the risks associated with the lack of funding flexibility, the hard stop on spends on 31st March 2022, the inability to carry forward underspends and the lack of a guarantee of funding for 2022/2023. This makes planning, recruitment and external commissioning challenging.
- 11.2 The additional risk of spending funding quickly inhibits the capacity to achieve the best outcomes and risks clawback. Work is taking place to minimise financial risks caused by inflexibility of some funds and the contingent liability for 2022/2023,
- 11.3 Consideration is being given to the future staffing and resource requirements given the future funding position.

12. Risk

- 12.1 The Employment and Training Unit operates risk registers for a variety of externally contracted programmes and is subject to internal and external compliance and audit visits.
- 12.2 The Enterprise Workstream Board undertakes monthly reviews of milestone progress regarding the Council of the Future Employability project.
- 12.3 Individual programme and service continuous improvement plans are in place regarding service delivery and these include service, stakeholder and employer evaluation results.

13. Policy

- 13.1 The Employment and Training Unit service delivery business plan and Local Employability Action plan are aligned to Falkirk Councils Corporate Plan to ensure 'People have equal access to training and employment that supports the local labour market'.
- 13.2 Services delivered by the ETU support the aims of the economic recovery plan to;
- Introduce formal policy arrangements aligned to the current and future Council workforce development plan
 - Develop a robust support toolbox of digital tools for skills development with participants targeted to Falkirk Council digital strategy
 - Increase of staff resource; to support front line employability support work including PACE support.
 - Delivery of Increased Employer Recruitment Incentives and Job Creation Programmes
- 13.3 The Parental Employment Support Programme and Young Person Guarantee support the Falkirk Child Poverty Action Plan
- Increase engagement with employment support services for young people and parents on low income utilising a case management approach
 - Increase the proportion of Falkirk Council area employees being paid the Living Wage
 - Reduce the outcome gap in positive destinations between young people from the most and least deprived areas
 - Increase income for families experiencing 'in work poverty', through skills development, financial advice and employment progression opportunities
 - Improve alignment of employability, early learning and childcare
 - Falkirk CPP partners will exploit their potential as large employing organisations and procurers of services to maximise income from employment for young people and families
- 13.4 The Employment and Training Unit works with Falkirk Council Children's Services through the Children Commission Leadership Group and Employability Subgroup to contribute to actions within the 'Integrated Children's Services Plan'.
- 13.5 Nationally ETU's employability services align to the Disability Action Plan to improve the employment gap for disabled people and also to the Fair Work Strategy, to improve conditions, rates of pay and diversity within the local workforce.

14. Conclusion

- 14.1 The COVID-19 pandemic has had significant consequences for local communities and the economy. It is clear that those disproportionately impacted and those now longer term unemployed will require additional collective support to overcome barriers to employment and to improve social and economic opportunities.
- 14.2 The ETU staff have worked tirelessly to embed the additional support programmes in response to the pandemic while continuing to delivery 'business as usual' services, meeting various contract and compliance requirements in a flexible and

responsive way to participants and external contractors.

- 14.3 The performance results evidence increased stakeholder and community engagement activity and increased marketing across social media platforms. This is resulting in greater reach and interest from communities and businesses locally. Embedding referral pathways across Council services continues to be an area for improvement and ETU works with colleagues in other Council services to improve the number of opportunities within Council services for young people.
- 14.4 ETU attempts to integrate and align services both locally and nationally to ensure equality in service and ease of access to all its participants. It is also working with Scottish Government, SLAED and the local employability partnership to influence design, standards and longevity of funding to ensure we can effectively consult, plan implement, resource and commission services that meet local need. In doing so the Council can reap longer term benefits, improving the accessibility of support services.
- 14.5 Through the measures identified in this report ETU aims to be in a stronger position to make the most effective use of the public investment, while targeting finite resources to achieve inclusion for those disengaged from the labour market as a consequence of the effects of the pandemic.

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