

FALKIRK COUNCIL

Subject: FALKIRK EMPLOYABILITY FRAMEWORK
Meeting: EXECUTIVE
Date: 18TH JUNE 2013
Author: DIRECTOR OF DEVELOPMENT SERVICES

1. INTRODUCTION AND BACKGROUND

- 1.1 Employability is an important policy area which continues to grow in significance as economic recovery remains challenging and welfare reforms are implemented.
- 1.2 This report provides an update on the production of a Falkirk Employability Framework produced by the local Employability Partnership in response to the Scottish Government's Working for Growth strategy. The framework recognises the changes in the economic and policy environment as well as the ongoing reform of public services.
- 1.3 The framework highlights the partnership's approach to delivering more effective support, better targeting and a more seamless, integrated provision. This report highlights Falkirk Council's specific actions in the document and suggests the basis of engagement with partners at a local level

2. THE FALKIRK EMPLOYABILITY FRAMEWORK

- 2.1 The employability framework has been produced by a local employability partnership, chaired by the Council and involving Job Centreplus, Forth Valley College, Skills Development Scotland and other bodies. The overarching outcome for the framework is to, *"maximise the percentage of working age residents attaining and sustaining better paid secure employment."*
- 2.2 Since the onset of the recession in 2008, unemployment rates have been persistently high in the Falkirk area rising from 2.7% in 2006, reaching a peak of 4.7% in 2011 and currently at 4.4%. Youth unemployment rose from 5.7% in 2006 to a peak in August 2011 at 1,440 (10.6%) currently at 1,165 (8.6%). Unemployment is still considerably higher than pre-recession levels and there has been little or no economic growth. Efforts by the partnership have helped to stabilise and reverse the growth trend, although it is also recognised that there are high levels of under employment.
- 2.3 The partnership's key focus on school leavers has resulted in a reduction in the number of 16 – 18 year olds who are unemployed and seeking work, illustrated in the highest level of positive school leaving destinations ever at 90.3%; above the Scottish average for the first time since records began.

- 2.4 To date the partnership's focus has centred on 16 – 24 years olds due to the disproportionate effects of the recession on young people with 80% of partner resources prioritised for this group. Whilst young people in the 16-24 bracket are disproportionately disadvantaged they currently represent 30% of jobseekers and up to three times more unemployed jobseekers are aged over 25 years. This volume, coupled with the implementation of the welfare reform programme, has been recognised as a potential issue regarding the prioritisation and allocation of resources.
- 2.5 In reviewing the Falkirk labour market, it is recognised that many challenges remain, especially as there is likely to be a jobs deficit for the foreseeable future. The employability framework therefore seeks to integrate activities with the broader approach to economic development recognising that economic growth, business support and investment are essential to encourage jobs growth in the private sector.
- 2.6 The partners have agreed a set of Outcomes, Outputs and Activities for the 3 years of the framework:

Outcome Description	Baseline Falkirk	Scottish Average	Target	% (+/-)
Gross Weekly Earnings	£479.80	£498.30	£498.99	+4%
Employment Rate (Overall)	78.1%	77%	79%	+0.9%
Claimants in Receipt of Out of Work Benefits	4.6%	4.2%	3.5%	-1.1%
18 – 24 Years Olds	9%	7.7%	6%	-3%
25 – 49 Year Olds	4.8%	4.5%	3%	-1.8%
50+	2.7%	2.4%	2%	-0.7%
Proportion of Working age population with No Qualifications	12.3%	11.6%	10%	-2.3%
% of 16 – 19 Year olds NEET	9.7%	9.6%	8%	-1.7%
Proportion of School Leavers in a Positive Destination	90.3%	89.9%	95%	+4.7%
% of Population aged 16-64 attaining SCQF Level 4 in Literacy and Numeracy	32.1%	38.5%	39%	6.9%
% of workforce undertaking Training in the last 13 weeks	16.3%	20.4%	21%	+4.7%
JSA on and off flow Rates	Off - 15.6%	Off - 17%	Off - 18%	-2.4%
	On - 14.6%	On - 15.2%	On - 12%	-2.6%

- 2.7 The activities and actions to achieve the outcomes will be taken forward in three work streams action plans:
- 1) **Customer Journey** –contributing to more joined up and integrated approach for services users;
 - 2) **Employer Engagement and Labour Market Intelligence** –a coherent service offer to employers;

- 3) **Youth Transitions** - ensuring young people have a positive and sustained destination on leaving school, improving young people's learning opportunities, learner journey, skills development and participation in the labour market.

2.8 The employability framework establishes the context for greater integration, collaboration and alignment which is an essential direction of travel if greater outcomes are to be achieved from reducing public sector resources.

3.0 FALKIRK COUNCIL RESPONSE

3.1 Falkirk Council chairs the local employability partnership and, as a key strategic partner, makes a significant contribution towards helping local job seekers to attain, sustain and progress in employment. The framework highlights four key areas for the Council to contribute towards the framework's delivery:

Better linking of employability and economic development

3.2 There is a need to ensure that national and local strategies are better aligned to support businesses to maximise their contribution to economic recovery. The formation of a one door simplified access point for local businesses, as achieved through the Council's in-house delivery of Business Gateway, makes it easier for businesses to navigate and connect with support. The Council has recently submitted applications seeking EU funding support to augment this activity, with a specific focus on promoting employment opportunity.

Allocation of resources across priority groups

3.3 There is a need to provide a better aligned offer for jobseekers which requires further decentralisation of planning and resources based on the strategic Skills Pipeline. At present approximately 80% of employability resources are aimed at supporting young people¹. There is concern that the current approach does not create sufficient scope to meet the increasing demand for support from older job seekers. There is a need to confirm whether the balance of allocation is most effective use of resources.

Assessing the impact of Welfare Reform on Employability

3.4 It is estimated that c£58 million will be removed from the Falkirk economy over the next three years² as a result of welfare reform. The potential economic impact on the local economy arising from the reduction in local spending and the consequences for local businesses and jobs will need to be further assessed.

3.5 The Work Programme is the single largest employment programme and provides support for long-term unemployed and people with work-limiting health conditions. Falkirk has one appointed sub contractor. This is an area of particular concern as there is no local accountability or ability to influence delivery. At present both Scottish Government and Falkirk Council employability resources target non Work Programme clients which results in an inconsistent local employability offer.³

¹ This excludes the UK Government's Work Programme

² Scottish Local Government Forum Against Poverty March 2013

³ Work Programme clients can access the universal Local Authority Services but not those specifically aimed at employability and skills

- 3.6 Welfare reform will increase the demand for employability and skills services locally Falkirk Council will play an important role in directing people to appropriate services. There is a need for more integrated assessment and planning for claimants. The terms and conditions of engagement due to the conditionality regime will require clear guidance on partnership reporting and data exchange, particularly where punitive measures may be implemented.

4.0 IMPLICATIONS

4.1 Policy Implications

The approach to developing and delivering the refreshed Falkirk Employability Framework is consistent with Council policies and procedures. The implementation of the welfare reform programme has implications on the Council's engagement with benefit recipients subject to the claimant commitment.

4.2 Personnel Implications - None

4.3 Financial Implications - There are no direct financial implications at present.

4.4 Legal Implications - There are no current legal implications

5.0 CONCLUSION

- 5.1 The Falkirk Employability Framework will facilitate the continued implementation of the Council's commitment towards achieving positive school leaving destinations, reducing youth unemployment and increasing skills whilst tackling poverty and disadvantage. However, the impact of welfare reform programme and the increased number and diversity of job seekers requiring employability support will have implications for the prioritisation of services. The Employability Framework aims to provide better aligned public sector support for people seeking employment. However, there are specific issues relating to localisation and resource allocation and their impact for service users in which the Council's position may vary from UK and Scottish Government. These are highlighted in the above report and will be kept under review during the framework's implementation.

6. RECOMMENDATIONS

6.1 It is recommended that the Executive:-

- i) **Agrees to support the Falkirk Employability Framework included in the volume of appendices.**
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- ii) **Agrees that further monitoring of the pattern of support and its impact on service users be undertaken to take account of the consequences and impact of the welfare reform programme and the need to provide effective employability support for workless households.**

Director of Development Services

Date: 10 June 2013

LIST OF BACKGROUND PAPERS

1. Falkirk Employability Framework 2013 - 16
2. Working for Growth – A Refresh of the Employability Framework for Scotland – September 2012
3. COSLA Report - Scottish Employability Forum and Employability Policy Statement –February 2013
4. People, Councils and the Economy – Scottish Local Government Forum Against Poverty, March 2013
5. Note of Scottish Employability Forum – 31 January 2013
6. Action For Jobs – Supporting Young Scots into Work – Scotland’s Youth Employment Strategy June 2012.
7. Putting Learners at the Centre: Delivering Our Ambitions for Post 16 Education – Scottish Government Consultations proposal response - December 2011.

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 504446 and ask for Pamela Smith