

Report

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Report to:	Enterprise Services Committee
Date of Meeting:	19 March 2013
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Routes to Inclusion – Delivering the Council’s Jobs Access and Employability Services
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ report the performance of the Council’s Routes to Inclusion Programme South Lanarkshire Works 4U in 2012/2013, and to seek approval for the implementation of the 2013/2014 Programme

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the positive performance of the Routes to Inclusion programme is noted,
- (2) that the activities and funding allocations for the proposed programme of delivery as set out in section 5 of the report are approved, and
- (3) that the existing TECKAL procurement arrangements with Routes to Work South continues in financial year 2013/2014

3. Background

3.1 As highlighted in the Council Plan ‘Connect’, South Lanarkshire Council remains committed to promoting employability and access to sustainable jobs particularly for targeted priority groups. A strong focus has been given to young people aged under 24, with specific targeting of 16 to 19 year olds, who require dedicated support if they are to achieve positive labour market destinations.

4. Performance in 2012/2013

4.1 The environment in which the South Lanarkshire employability partnership operates has continued to prove tremendously challenging but there is continuing success as a result of the investment and approach taken by the Council. Recent statistics indicate that young people aged under 24 made up around 28.7% of all unemployed people in South Lanarkshire. The number of Job Seeker Allowance (JSA) claimants aged 18 to -24 based on December figures has fallen for the 7th consecutive month and is now at its lowest level for more than 2 years. The rate of unemployment for young people in this category has also declined for the 5th consecutive month down to its lowest level for 2 years.

- 4.2 The table below identifies outcomes to December 2012. These are significantly higher than projected due to additional investment of external funds from Scottish Government and Department of Works and Pensions to support interventions, jobs and businesses.

Routes to Inclusion Outcomes	Target	2012/2013 (to Dec 12)
Number of workless individuals on programmes (engagements)	2000	2217
Number entering jobs	1100	1753

- 4.3 As reported in June 2012 South Lanarkshire was successful in attracting additional funding. The Council has already met and exceeded many of the targets agreed with external funders, particularly in delivering outcomes. This has been as a result of better joined-up working through the activities of the More Choices, More Chances Strategy Group and the wide range of partner services and support and the additional investment this has brought. Most significantly the resources have delivered better employer engagement which in turn has resulted in a greater number of employers than ever taking up the option to recruit young people through the successful application of wage subsidy incentives.

- 4.4 This year the South Lanarkshire Works 4 U programme included the following elements:-

- **Youth Jobs Fund** – this initiative has now been operational since 2009. It is designed to support job-ready young people who leave school and are experiencing difficulty in securing employment, training or college places. It offers a 50% wage subsidy for 50 weeks. It has delivered significant success with 287 waged places in this phase of delivery.
- **South Lanarkshire Jobs Fund** – building on the success of wage subsidies for the younger group, this initiative offers 50% wage subsidy for 6 months for individuals aged 18+ and includes support for graduates. The subsidies are focused on supporting small businesses with the potential to grow if they have the ability to take on additional staff.
- **Health for Employability** – a highly valued service assisting vulnerable groups with health and wellbeing issues access services to address health and related barriers and offering progression towards employment. This service will become increasingly important as a result of Welfare Reform rollout.
- **Job Brokerage Aftercare Support** – assists programme completers and more job ready beneficiaries to identify, secure, sustain and progress in their employment
- **Sectoral specific and customised training** – linking opportunity and need by supporting local companies and public sector bodies to address their recruitment needs particularly in the retail, construction, care and hospitality sectors
- **Energy Academy** – this is an innovative and wide ranging initiative drawing on the skills and networks of the Council, Further Education and private sector to ensure that South Lanarkshire residents benefit from developments around the energy sector. Already pilot programmes are underway with both Motherwell and South Lanarkshire Colleges and a range of large and small-scale employers have been engaged.
- **Energy Advice South Lanarkshire** – working with colleagues in Housing and Technical Resources and in partnership with two voluntary sector providers, Wise group and Routes to Work South, the programme seeks to recruit and train people to SQA Diploma 3 level in Green Deal Advice.

- **Work Ahead** - a programme to support adults with brain injuries access employment in the open labour market by providing intensive support and coaching.
- **Mentoring and volunteering programmes** - for key client groups to develop employability skills using volunteering and social economy opportunities. Working in partnership with VASLAN and Routes to Work South it has been successful in attracting additional resources from the Robertson Trust to support prolific young male offenders. This innovative programme will look to attract entrepreneurs and senior people from the private and public sector to mentor these young men.
- **Employability Support for people with Learning Disabilities** – providing funding to Council and external specialist programmes to enhance the employability of this client group and provide wage subsidy payments to enable this key client group to compete in the labour market
- **Computer Gaming/Creative industries Pilot Programme** – working jointly with Alcohol Drug Partnership, the Council has developed an innovative pilot programme to attract and support young people recovering from addictions. The aim is to use interest in computer gaming to engage and divert them from negative behaviours, widen skills and social networks and enhance employability.
- **Connect 2** – this significantly expanded and highly successful project continues to offer practical work experience in paid employment, a vocational qualification at level 3 in Social Care or other industry recognised certificate e.g. Retail or Hospitality, and intensive support for vulnerable groups e.g. homeless people, those with experience of substance misuse, victims of domestic violence or health barriers.
- **Youth Connect** – building on the successful Connect 2 programme, this programme has also been expanded to provide an increased number of places as part of our commitment to Opportunities for All. Youth Connect targets vulnerable groups, e.g. care leavers, and offers access to a nine month paid work experience placement in social care or child care and access to a vocational qualification at level 2.
- **Winter Leavers Employability Programme/Specialist Summer Leaver Programme** – it provides additional places for young people leaving school who may have difficulty in securing or sustaining a positive outcome. It offers specific vocational tasters, extended work experience and employability support.

4.4 Although the local labour market remained sluggish, the ambitious, but realistic targets set for 2012/2013 were 2,200 people supported with 600 into work. Given the additional £2.8M investment notified after the targets were set allowed us to substantially exceed these, a reflection of the demand for employability support and the additional resources deployed. To December 2012, 2217 people successfully accessed employment, training or education (1753 into jobs) despite the backdrop of a reduction in notified vacancies and slow recruitment in key sectors.

4.5 The delivery of the programme has had to be more flexible and responsive to harness potential opportunities and maximise the benefits of investment. It has been the ability to adapt and change delivery that has contributed to success for vulnerable groups such as young people. This is particularly important in the current climate in which competition with those with a recent job history and experience makes the process much more difficult for people without experience or with significant barriers who require intensive support.

5. 2013/2014 programme

5.1 Moving forward in to the financial year 2013/2014, the Council has established a total budget of £4,354,156 to support its employability objectives. This includes the ESF Priority 5 programme extension, which was recently announced providing funding of £604,992 to support SLW4U for a period of 12 months. This award is a significant

reduction from previous years and as a result the programme offer and the employability pipeline will be altered to reflect this.

- 5.2 Appendix 1 outlines the proposed services to be made available to support key client groups. It is anticipated that given a reduction in budget compared to 2012/2013 2,800 people will be supported with 1200 progressing to a positive destination i.e. education, training or employment.

- 5.3 The proposed Routes to Inclusion Budget for 2013/2014 is made up as follows:-

Community and Enterprise Resources budgets	£ 974,160
Tackling Poverty Programme budget	£2,296,097
ESF/ERDF	£ 604,992
Scottish Enterprise Local Regeneration budget	£ 280,000
Scottish Government Opportunities For All	£ 198,907
	<u>£4,354,156</u>

6. Employee Implications

- 6.1 None.

7. Financial Implications

- 7.1 The value of potential external funding for 2013/2014 is yet to be finalised. The Scottish Government have provisionally agreed an extension of the ESF P5 programme to June 2014 of £879,000, which with match provides £1,953,333 spend in the coming 15 months from the beginning of the new financial year. In addition to this the Council is seeking to maximise the funding available through the European Regional Development Fund with the expectation of achieving a grant of £305,000 towards a total project value of £762,500 with spend by June 2013. The pro rata figures for 12 months have been included in the project summary table, attached.
- 7.2 The extent of other potential Scottish Government funding, including recruitment incentives, is unknown at this point. It is unlikely that this will be at the same level as the Scottish Government Youth Employment Strategy funds this year. The position regarding DWP funding to local agencies/ partnerships, if any, will also not be announced until near the end of the current financial year at the earliest.
- 7.3 It is proposed that the existing contract with Routes to Work South under the TECKAL Agreement be extended for a further 12 month period as these have worked well. It is proposed that funding through this mechanism is awarded up to a sum not exceeding £3.8m in total for agreed services. This would include the job brokerage service and the delivery and management of South Lanarkshire Jobs Fund, Rebuilding and South Lanarkshire W4 ME.
- ## **8. Other Implications**
- 8.1 Any risk associated with the delivery of the Routes to Inclusion Programme will be addressed through the management of relevant contracts which will be monitored and reported as part of the normal procurement process.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1 This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

- 9.2 All necessary consultations have taken place with key stakeholders in the public, private and voluntary sectors.

Colin McDowall

Executive Director (Community and Enterprise Resources)

22 February 2013

Link(s) to Council Objectives/Values

- Supporting the local economy, by providing the right conditions for growth, improving skills and employability
- Tackling disadvantage and deprivation
- Strengthen partnership work, community leadership and engagement

Previous References

Enterprise Resources Committee February 2012

List of Background Papers

None

Contact for Further Information

If you want further information, please contact:-

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Appendix 1

Overall Budget Allocations 2013/2014

Programme	Description	Funding
Youth Jobs Fund and South Lanarkshire Jobs Fund	Wage subsidies to support priority groups, in particular young people aged 16-24. Offer subsidies around the national minimum wage for a maximum of either 26 or 50 weeks.	£1,628,160
Job Brokerage	To deliver employer engagement and job matching services.	£610,000
Energy Academy	Delivering on partnership developments around this emerging and growing sector.	£250,000
Health4Employability	To support potential jobseekers with health issues and barriers, delivered by NHS SALUS in support of the Employability pipeline including 16 to 19 year olds.	£160,000
Connect 2	A holistic programme supporting vulnerable adults, offering employer based training and a wage subsidy for 26 weeks and offering up to a VQ3 in an appropriate industry recognised qualification.	£258,656
Youth Connect	A holistic programme supporting vulnerable young people, offering employer based training and a wage subsidy for 26 weeks and offering up to a VQ2 in an appropriate industry recognised qualification.	£191,111
Rebuilding	This sectoral based programme reflects the current demands in the sector and supports clients to achieve the necessary certification and qualification to work on sites and in construction.	£280,000
VASLAN	This contributes to wider initiatives in and around volunteering, including mentoring and supports vulnerable clients wishing to experience volunteering as part of their transition to employment.	£50,000
SLW4Me	Providing community facing employability services including initial engagement.	£176,000
Opportunities for All	This includes funding for Activity Agreements and is targeted at the priority group aged 16-19. This provides a menu of offers to assist young people to manage a positive transition from school to employment, education or training. This can also including funding additional places on existing provision	£198,739
Leavers Programme	To support the development of employability skills for key groups in the final months before leaving school	£154,000
Inclusiveness	A bespoke initiative to help those who have had significant challenges in life and who have barriers to overcome in their journey into employment – offering specific training and support.	£236,726

Discretionary Support Fund	This provides payments for e.g. childcare/dependents and travel.	£79,833
Infrastructure developments	This includes marketing, events, IT developments including Apps for mobile devices, management information systems to support delivery and track interventions and premises costs.	£80,931

The above services would be procured as appropriate including using the existing 'TECKAL' legal framework and the SLW4U Procurement Framework.