

Highland Council Resources Committee

10 JUNE 2009

Agenda Item	
Report No	

Progressing Employability Services Report by the Head of Policy and Performance

Summary:

This report is to update Members on progress with implementing the approach to employability services in Highland as agreed at the Resources Committee in April 2009, including: national policy developments regarding economic recovery and employment; indicative distribution and criteria for the use of elements of the Fairer Scotland Fund; progress with attracting EU funding; and progress on developing a Local Employment Partnership Agreement between the Council and Job Centre Plus.

1. BACKGROUND

1.1 Resources Committee has agreed actions for supporting people into employment including:

- Assisting young adults and people experiencing barriers to employment;
- Supporting community and social enterprises in job creation and training opportunities;
- Submitting a partnership bid for EU funding to increase the resources available;
- Improving integration and management of partnership employment services;
- Developing a local Employment Partnership Agreement with the Department of Work & Pensions regarding the Council's own employment and recruitment practices. (Resources 15.4.09 res-44-09);
- A review of service specifications.

1.2 These actions have been developed as part of the Council's "Strengthening the Highlands" Programme, its response to the Economic Action Plan and the Community Planning Partnership's commitment to employment in the Single Outcome Agreement to create "a competitive, sustainable and adaptable Highland economy" and to reduce poverty and inequalities.

2. NATIONAL POLICY INITIATIVES

2.1 The UK and Scottish Governments have made a number of announcements about new initiatives and increased resources for employment and training in recent weeks. There is still guidance to follow about the detail and distribution of resources and there is therefore the need to remain flexible in developing local responses. Initiatives announced recently are noted below.

- 2.2 The UK Government has recently announced the **Future Jobs Fund**; a £1 billion fund over 2009–2011, across the UK for the creation of jobs for longer term unemployed young people and others who face significant disadvantage in the labour market. A summary of the conditions and funding arrangements is attached as Appendix 1 to this Report. The guidance suggests that local authorities will have a key part to play in bringing together partnership approaches to delivering this programme. The Fund is competitive and bids are invited by 30 June 2009 for commencement between October 2009 and March 2010. Applications to start between April - Sept 2010 will need to be submitted by end Sep 2009.
- 2.3 There are a number of key issues that have to be considered in taking a lead role in delivering Future Jobs, these include:
- The adequacy of funding – it is set at approx. 50% of full year costs of posts and would require additional funding to increase the duration of jobs and to ensure materials, accommodation and other costs were available;
 - The extent to which businesses and partners can offer jobs;
 - There will be additional administrative and overhead costs in identifying projects and being accountable for funds and sustaining projects;
 - How the Fund will be distributed within Scotland as bidding is competitive;
 - A focus on “hotspots” – areas with above average levels of unemployment for those aged under 25’s – this may disadvantage rural/ small population centres;
 - The tight timescales for application and set-up for the first round of bids for 30 June 2009.
- 2.4 Both a relatively low level of funding and focus on “hotspots” does not recognise the higher costs and dispersed nature of employment and mobility in rural areas. However, the offer of Future Jobs Funding is likely to fit with the Council’s partnership approach to bid for European funding as it is expected that any funding obtained would be eligible as match funding for European Programmes.
- 2.5 The role of Councils in leading composite bids for Community Planning Partnerships for Future Jobs Funding is endorsed by Cosla. A potential bidders meeting for Scotland is arranged for 5.6.09. Further information on the Fund can be provided at the Committee meeting. Given the Council’s commitments in its Recession Action Plan, Members are asked to approve that work is done with partners to develop a bid for the end of June timescale.
- 2.6 The Scottish Government has invited Highland Council to be a pilot area in the development of a 16+ Learning Choices new **Activity Agreement Programme** to provide enhanced services for young people reaching the end of compulsory education. The pilot will start from the start of the new School Session in August 2009.
- 2.7 An Activity Agreement will be an agreement between a young person and an advisor that the young person will take part in a programme of learning and activity which helps them to become ready for formal learning or employment. The young person may receive an allowance in return for keeping this agreement. In effect it is an extension of the Educational Maintenance Allowance (EMA) to include a wider range of learning activities, including out with schools. Guidance for the Programme has

been received and the Scottish Government has indicated that there will be additional funding available to assist with management and infrastructure costs, the Activity costs for young people and for the additional EMA payments that will arise. The amount of funding is not yet confirmed.

- 2.8 Members are asked to note the position regarding 16+ Learning Choices and the development of Activity Agreements. The delivery of Activity Agreements and additional EMA's will require considerable planning and preparation over the summer months. It is anticipated that further Guidance will be given and a formal offer of funding from Government. Members are therefore asked to delegated powers to the Chief Executive in accepting grant offer and authorising preparatory work to be done during the summer recess.

3. EU PLAN PROGRESS

- 3.1 The report to Resources Committee in April 2009 identified resources within the Fairer Scotland Fund over 2009 – 2011 that were available for further investment and as potential match for EU funding. The Highland & Islands Programme Partnership (HIPP) has invited all Community Planning Partnerships in the Highlands and Islands to submit plans for the use of ERDF and ESF mainstream funds over 2009 to 2011. Approval of these plans will enable applications for specific projects contained within the Plans to be “fast tracked” through approval procedures.
- 3.2 A Partnership Plan for Highland has been submitted for consideration by HIPP for expenditure totalling £1.4m ESF and £1.365m of ERDF over 2009 – 2011. The Plan indicates a match funding requirement of £1.246m including partner funding of £0.820m and £0.426m of Fairer Scotland Fund (FSF). Based on the approvals at Resources Committee the Actions included in the Plan are;
- Additional services for people facing particular barriers to employment;
 - Support to community and social enterprises in job creation and community benefit;
 - Childcare and transport services;
 - Expansion and improvement of learning and training facilities.
- 3.3 The Plan has been approved in principle by the Advisory Group with more detailed project information to be submitted by early August 2009. The proposals will be developed further with partners for detailed project approval and delegated authority to the Chief Executive is sought for the projects submitted at that stage.

4 FSF FUNDING TO LOCAL COMMUNITY AND SOCIAL ENTERPRISES

- 4.1 Members agreed at the April meeting to allocate £220,000 in 2009/10 and £310,000 in 2010/11 as additional funding to support local community and social enterprises in providing employment, training and work experience. This funding is not included in the CPP Plan for EU funding and therefore is available as match funding for LEADER funding, mainstream EU or other funding sources. Members are asked to consider apportioning the funds to local LEADER Local Action Areas as illustrated below to ensure that they are directed by local needs and that bureaucracy is reduced by aligning the LEADER and FSF application processes.

- 4.2 To ensure that the distribution of funds is based on need it is recommended that distribution be based on actual numbers of benefit claimants as a more direct measure of need and that the allocation include all areas of Highland. Although Inverness is ineligible for LEADER funding, the area can draw from the mainstream ESF and ERDF programmes. The Table attached as Appendix 2 shows Working Age Population and the numbers in these Claimant Groups by Council Ward and LEADER areas (plus Inverness) as a percentage of the Highland Claimant population. Thus areas with higher levels of claimant receive a higher proportion of funds than their simple “population share”.
- 4.3 The Table at Appendix 2 illustrates the distribution of these funds on this basis. If agreed in principle by Members further discussions will take place with the LEADER Strategic and Local Action Groups and the Inverness Partnership about how these funds can be aligned with potential projects being identified by local communities for potential EU funding either LEADER, ESF or ERDF. Leader Development, Ward Managers and FSF staff will work together to ensure that application and approval processes are aligned to avoid duplication and unnecessary bureaucracy. It is proposed that there is flexibility in the indicative funding for each partnership area to ensure maximum take up of the funds available within the financial year.
- 4.4 The criteria for the use of the FSF allocation by local LEADER groups would reflect the strategic purpose of FSF, namely creating or sustaining employment, training, work experience or volunteering that will improve people experiencing barriers improve their confidence, skills and employment prospects. Criteria would include:
- Additionality – FSF and LEADER funding will not be used to replace funds that have been previously available;
 - The programmes and activities offered should complement, not substitute for mainstream employment programmes;
 - Use of FSF should be proportionate to the employment and training benefits obtained – partner funding in addition to EU funding would normally be expected;
 - Programmes and activities offered should have clear, measurable outputs and/or outcomes and have clearly articulated progression routes for individuals;
 - The need to meet appropriate service and other standards including appropriate Industry, Health & Safety and equalities requirements;
 - Projects funded by FSF would also be required to provide activity and financial reports to the Partner Employability team and participate in service development initiatives as part of any EU reporting requirement.

5. LOCAL EMPLOYMENT PARTNERSHIP

- 5.1 Local Employment Partnerships are agreements between Job Centre Plus and Employers to help potential recruits and encourage progression of the workforce. Resources Committee has previously agreed in principle to enter such an Agreement. The LEP can now be signed reflecting the Council's commitment to working with Job Centre Plus to help potential recruits to move from welfare to sustained employment. As part of this commitment, meetings with key Service representatives will be set up to able managers to comply with the specific measures

in the agreement.

- 5.2 At Resources Committee in April 2009 it was agreed that service specifications would be reviewed for all existing services and for any new services to be commissioned. Work is in progress with a view to developing specifications for tendering some services from autumn 2009.

6. RECOMMENDATIONS

6.1 Members are asked to note:

- the approval in principle for EU funding of £1.4m ESF and £1.365m of ERDF over 2009 – 2011 based on the Partnership bid submitted by the Council;
- completion of the Local Employment Partnership Agreement with Job Centre Plus;
- the piloting of the 16+ Learning Choices and Activity Agreements.

6.2 Members are asked to agree:

- that the Council co-ordinates a partnership bid for the Future Jobs Fund for the end of June 2009 to create jobs which will benefit local communities;
- the use of delegated powers to the Chief Executive in discussion with the Chair of Resources Committee, the Convener, the Administration Group Leaders, the Budget Leader and the Leader of the Opposition, to finalise the bid for Future Jobs Funding, Activity Agreements and the project submission for the CPP bid for EU funding;
- the proposed distribution of Fairer Scotland Fund local development funding of £220,000 for 2009-10 as set out in appendix 2 and described in section 4 of the report and for this to be aligned to the process for LEADER funding and within the Inverness City Partnership for areas ineligible for LEADER funding.

Signature:

Designation: Head of Policy & Performance

Date: 2nd June 2009

Author: Bob MacKinnon, Fairer Scotland Fund

Background Papers and References:

www.dwp.gov – Future Jobs Fund

FUTURE JOBS FUND

The Future Jobs Fund is a £1 billion fund across the UK to support the creation of jobs for long term unemployed young people and others who face significant disadvantage in the labour market.

The aim is to create 150,000 jobs between October 2009 and April 2011 primarily for 18-24 year olds who have been out of work for a year. The maximum contribution for each job is £6,500.

Government is keen to work with Local Authorities, Social Enterprises and Charities with a strong preference for partnership bids.

A bid will need to demonstrate that:

- It will create extra jobs (which would not exist without the funding) of at least 25 hours per week, lasting at least 6 months:
- The work done will benefit local communities:
- The work will be under way quickly.

Bids can be submitted at any time. Bids submitted by 30 June 2009 will be considered for the first allocations of funding.

In Scotland, it is expected that £95 million will be available towards 15,000 jobs. A voluntary sector consortium is preparing a bid for half the Scottish allocation. To create 7,500 jobs in environmental projects, care services, credit unions and many other social projects and enterprises.

The Workforce Plus National Delivery Group has arranged a Future Jobs Fund Seminar on 5th June 2009 for officers to discuss how areas can respond to the invitation to bid. Further information can be provided verbally at the meeting.

HIGHLAND BENEFIT CLAIMANTS DATA

APPENDIX 2

Ward No.	Ward/Area	Working Age Population (Retired MYE 2007)	% of Working Age Pop	All JSA Claimants (Apr 09)	Total Claimants IB/SDA (Nov. 08)	lone parents claiming IS (Mar 09)	Total Claimants (JSA/IB/LP)	% claimants of Highland Claimants	Indicative Distribution of FSF (£220,000)
2	Thurso	4,324	3.46	153	330	80	563	3.64	8,005
3	Wick	3,987	3.19	210	415	100	725	4.69	10,308
4	Landward Caithness	6,642	5.31	178	490	50	718	4.64	10,209
	CAITHNESS PARTNERSHIP	14,953	12						28,522
1	North, West and Central Sutherland	3,350	2.68	107	245	20	372	2.40	5,289
5	East Sutherland and Edderton	4,283	3.42	121	340	55	515	3.33	7,322
	SUTHERLAND PARTNERSHIP	7,633	6.10						12,612
6	Wester Ross, Strathpeffer and Lochalsh	6,813	5.45	154	435	65	654	4.23	9,299
7	Cromarty Firth	7,079	5.66	331	780	205	1316	8.51	18,711
8	Tain and Easter Ross	5,220	4.17	192	500	90	782	5.05	11,119
9	Dingwall and Seaforth	7,463	5.97	216	530	105	851	5.50	12,100
10	Black Isle	5,774	4.62	93	265	45	403	2.60	5,730
11	Eilean a' Cheo'	6,064	4.85	169	430	70	669	4.32	9,512
12	Caol and Mallaig	4,573	3.66	100	300	55	455	2.94	6,469
22	Fort William and Ardnamurchan	7,012	5.61	183	485	125	793	5.13	11,275
	LOCHABER PARTNERSHIP	11,585	3.66						17,744
13	Aird and Loch Ness	6,276	5.02	126	290	50	466	3.01	6,626
14	Inverness West	5,254	4.20	153	455	50	658	4.25	9,356
15	Inverness Central	8,495	6.79	466	1195	285	1946	12.58	27,669
16	Inverness Ness-Side	6,008	4.80	178	375	95	648	4.19	9,213
17	Inverness Millburn	4,936	3.95	125	290	45	460	2.97	6,540
18	Culloden and Ardersier	7,187	5.75	177	435	80	692	4.47	9,839
20	Inverness South	7,271	5.81	128	310	55	493	3.19	7,010
	INVERNESS CITY & RURAL	45,427	36						76,253
19	Nairn	6,644	5.31	193	485	60	738	4.77	10,493
21	Badenoch and Strathspey	7,412	5.93	136	355	65	553	3.59	7,905
	Highland Total	132,067	100	3888	9735	1850	15190	100.00	220,000

