
Report To:	Environment & Regeneration Committee	Date:	27 October 2022
Report By:	Interim Director, Environment & Regeneration	Report No:	E+R/22/10/02/SJ/JH
Contact Officer:	Jennifer Horn	Contact No:	01475 715573
Subject:	Employability Services Review		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to provide the Committee, options for consideration for the provision of the Employability service as presented to the Policy and Resources Committee under the Delivering Differently process.
- 1.3 The report sets out the employment landscape, the funding that is available to the Council's employability services and how it is being used in 2022-23, and how it may be used going forward considering a number of options.
- 1.4 The employability service is subject to a savings proposal to remove £900,000 from the service which will be considered as part of the 2023/25 budget setting process. In providing context for this saving this service does benefit from external funding, albeit ringfenced, derived from both UK and Scottish Governments.
- 1.5 The options presented within the report do not have any impact on Council employed staff and therefore the unions have not been consulted on their impact.

2.0 RECOMMENDATIONS

- 2.1 That Committee considers the options identified in Section 4 of this report and, note that the options will be part of the overall budget consideration.

Stuart Jamieson
Interim Director, Environment & Regeneration

3.0 BACKGROUND AND CONTEXT

3.1 Inverclyde Council delivers Employability Services, working in multidisciplinary basis to improve the employment opportunities for those both in and out of work.

3.2 The Council delivers employability through the Local Employability Partnership (LEP) Delivery Plan which was approved in June 2022 as well as Scottish Government and UK Government policies.

3.3 In the last Workforce Development Update in Oct 2021, the report outlined the challenges from Covid. One year on society is facing many new challenges. Headlines state that the unemployment rate across the UK are the lowest that it has been since the 1970s, however, with challenges in the cost of living, it is clear that employability is a critical service to support people into sustainable employment where they can achieve a real living wage.

3.4 The vision of the LEP is:

'Supporting people into fair, sustainable jobs, education or training is central to delivering many of the ambitions for an inclusive, sustainable economy with well-being at its core in our communities. Employability services are pivotal to avoiding the widening of social and economic inequalities by supporting those who are most vulnerable; we recognise the vital role that a range of organisations across the employability landscape play, and are committed to protecting a diverse range of provision and ensuring that the right support is put into place for those who rely on these services'

3.5 The latest Inverclyde labour market statics have recently been published and are as follows:-

Headline	Inverclyde (2020-2021)	Inverclyde (2021 2022)	Change	Scotland (2020-2021)	Scotland (2021-2022)	Change from the previous financial year
UC Claimant Count	5.5%	4%	-1.5%	4.8%	3.3%	-1.5%
Economic inactivity	26.5%	22.4%	-4.1%	23.6%	23.5%	-0.7%
Economic Inactivity and seeking work	15.9	15.3%	-0.6%	21.6%	17.9%	-3.7%
Unemployment rate	4.8%	3.5%	-1.3%	4.6%	3.4%	-1.2%
Employment rate	70.3%	74.4%	+4.1%	72.8%	73.8%	+1%
% of population with no qualifications	12.1%	9.7%	-2.4%	8%	7.8%	-1.7%
Gross Weekly Pay – All Full Time Workers Inverclyde	560.9	570.1	+1.6%	595.0	622.0	+4.3%
	August 2022			August 2021		
UK Consumer price inflation rate	9.9%			3.2%		

3.7 As can be seen from the above table employment has improved since the previous report in 2021:

- the employment rate has improved in Inverclyde on a faster rate than Scotland,
- the unemployment rate has fallen at the same rate as Scotland,
- the % of population with no qualifications has fallen at a faster rate than Scotland although it is still 1.9% higher overall, and

- Universal Claimant is falling at the same rate as the rest of Scotland.

3.8 While these statistics are positive there is need to be cautious as these set against backdrop of high inflation

- While economic inactivity has fallen the percentage of economically inactive and seeking work remains nearly the same where Scotland on the whole has seen a fall,
- Gross weekly pay has gone up by 1.6% but this is 2.7% behind Scotland's growth in pay.

3.9 Employability is a key service within Inverclyde Council and the team works to delivers on national and local policy priorities. The traditional type of intervention delivered were apprenticeship, graduate programme, tracking and support young people long term unemployed.

3.10 The employability provision of Inverclyde Council is designed to respond to the priorities set out by national and local priorities. Employability provision delivered by Inverclyde Council has predominately been made through core budget delivery, along with additional interventions supported by additional funding allocations through the Councils budget setting process. These funds were often used as match funding in support of European Structural Funds to maximise funding and in turn employability interventions for the people of Inverclyde.

3.11 In terms of specific funding for the current financial year this is made up just over £2.3m in core; £4.8m in earmarked reserves of which £3m is COVID jobs recovery and £0.2m in other external funding.

3.12 In the current financial year the Council has received £0.9m in external Scottish Government Funding including No One Left Behind (£234k), Parental Employability Support Fund (£154k), Long Term Unemployed (£300k) and Young Persons Guarantee (£234k).

3.13 Recently the UK Government has introduced further funding which can be used to support employability. As noted in previous papers submitted to committee, the UK Government has introduced UK Shared Prosperity which has been seen as a replacement to EU funds. It should be noted that the fund is does not cover what was previously allocated through EU funds, it covers a wider range of interventions and the UK Government has been clear that it is new funding for new projects It is worth noting that the people and skills in the Shared Prosperity allocation is £1.4m over three years. A summary of these funds is contained in appendix 1.

3.14 Employability services are delivered through a combination of contracted and direct delivery solutions. The Council currently has 4 contracts, funded through the Core budget, which deliver employability provision which support Inverclyde residents progress along the employability pipeline to sustainable employment:

- **Employability Services: Inverclyde Community Development Trust:** Provides a range of activity for those wanting to improve confidence, motivation and skills to enable progression to further/higher education, employment, self-employment and volunteering. Pre-vocational and vocational training in a range of sectors provided. Employer engagement/job brokerage and in work support also provided. Local third sector organisation Financial Fitness, delivers specialist support to clients
- **Progress: Stepwell:** Supporting unemployed/inactive residents with a health barriers by providing specialist health advice, training, supported employment and job placement opportunities.
- **Employer engagement: Enable:** A dedicated service that will work with local employers to assess their recruitment practices and workforce demographics to promote diversity and inclusive practice. Assistance with all aspects of the recruitment process is available. The service also provides a suite of training packages including Disability Awareness, Autism Awareness, Mental Health in the Workplace, Assistive Technology Awareness, Employment

Law Basics, Access to Work training and Equality & Diversity Training. In-work support for the employer and employee is also provided.

- **Employment Advice, Advocacy and Guidance: Inverclyde Advice and Employment Rights:** Delivers services in the field of employment rights and work related issues including specialist advice, advocacy, and guidance on employment rights including employment law, workplace health and safety and occupational health.

In addition to this programmes include Modern Apprentices, Graduates, Apprenticeship Wage Subsidy, Long Term Unemployed Programme, Kickstart, Inverclyde Future Jobs, Activity Agreements, and Training.

4.0 OPTIONS

4.1 The options below cover the continued delivery of the current service, what is considered to be a reduced service and then a significantly reduced service. The latter is, of course, the option currently under consideration in the 2023-25 savings exercise.

4.2 Option 1 – Do Nothing

The Employability Service has for many years supported over 1000 clients per annum within employability programmes and despite the significant challenges faced within Inverclyde, statistics show that in the majority of indicators Inverclyde has either improved or at least maintained its position relative to the rest of Scotland. The programmes developed in Inverclyde have been copied elsewhere in Scotland and have focussed on the needs of the individual rather than a one size fits all approach.

It is recognised however that the continuation of the service in its current form is not practical owing to the budgetary pressures the Council is under and that the Scottish Government has introduced new Employability programmes in recent years.

4.3 Option 2 – Reduced Employability Service

This option removes £500,000, which represents a 22% reduction, from the core budget. The reduction would be distributed between the contracted employability services and direct delivery.

The impact in service would see a phased reduction of £238,000 in the key worker support and Training programme. Withdrawal from the Inverclyde Advice and Employment Rights package (£71,000). Further reductions would be made in respect of direct client delivery programmes £191,000.

The impact on service delivery would see 120 clients not supported in 2023/24 rising to 330 less clients being supported in 2024/25. This would be partially offset by the £0.9m in Scottish Government funding.

It is likely that this option would result in a number contractor jobs being affected with no impact in the Council.

4.4 Option 3 – Significantly reduced Employability Service

This option removes £900,000 which represents a 40% reduction from the core budget and is the current option being considered within the 2023/25 budget setting process.

The impact in service would see a phased reduction of £500,000 in the key worker support and Training programme. A reduction of £60,000 would be made to the Employer Engagement & Workforce Diversification programme. Withdrawal from the Inverclyde Advice and Employment Rights package (£71,000) and a 50% reduction in the health barriers to employment programme (£58,000). Further reductions would be made in respect of direct client delivery programmes £191,000. Depending on the

viability of the remaining programmes this could affect a number of external contractor jobs, with no impact in the Council.

The impact on service delivery would see 240 clients not supported in 2023/24 rising to 660 less clients being supported in 2024/25. This would be partially offset by the £0.9m in Scottish Government funding.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial	X		
Legal/Risk	X		
Human Resources	X		
Strategic (LOIP/Corporate Plan)	X		
Equalities & Fairer Scotland Duty	X		
Children & Young People's Rights & Wellbeing	X		
Environmental & Sustainability		X	
Data Protection		X	

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report (000)	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Option 1	N/A	N/A	N/A	N/A	No saving
Option 2	Employability	23/24	(500)		Reduced Council funded employability service by 22%
Option 3	Employability	23/24	(900)		Significantly reduced Council funded employability service by 44%

5.3 Legal/Risk

The impact of the savings identified could affect the viability of the contract for Inverclyde Community Development Trust due to their significant reliance on the Council for the majority of its revenue funding through the employability contract.

5.4 Human Resources

Potential TUPE implications both outwith and to the Council.

5.5 Strategic

Employability is a LOIP priority.

5.6 Equalities and Fairer Scotland Duty

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EQIA) process with the following outcome:

X	YES – Assessed as relevant and an EqIA is required.
	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

5.7 Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

X	YES – Assessed as relevant and a CRWIA is required.
	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.8 Environmental/Sustainability

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
X	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.9 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 CONSULTATION

6.1 None.

7.0 BACKGROUND PAPERS

7.1 None.

Appendix 1:								
Funding Sources /Streams								
Breakdown per stream/source with current projected expenditure based on commitments of existing staff and contract agreements that are in place or will be in place by end of 22/23. Some of these continue up to 25/26, therefore below presented is expenditure profile until financial year 25/26								
	22/23		23/24		24/25		25/26	
Source:	Funding	Projected Expenditure	Funding	Projected Expenditure	Funding	Projected Expenditure	Funding	Projected Expenditure
Core	2,371,980	2,368,530						
EMR's	4,819,000	3,223,010	1,595,990	1,121,550	474,440	188,890	285,550	25,400
Grant's	922,520	886,240						
Shared Prosperity Fund	172,092	172,092	322,782	322,782	905,359	905,359		
External Income	130,000	130,000						
Overall Total	8,415,592	6,779,872	1,918,772	1,444,332	1,379,799	1,094,249	285,550	25,400
Uncommitted								260,150
Notes:								
1	Core recurring budget reflected for 22/23 only as not set for future years, presently 9 MA's included in this funding, they range from contract ends from 23/24 to 25/26 with latest 28/2/26 for 1 of them. SLA and Contracts within this funding stream for IDCT, Enable, Stepwell, Wage Subsidies & Inverclyde Advice and Employment Rights. Along with £73k training budget							
2	EMR - 6 in total				Funding	Uncommitted	Funds	
	Anti Poverty:				306,000	260,150	4 former MAs complete 22/23 who have gained employment	
	Youth Employment:				180,000	0	10 MA's: 6 Complete 22/23 +4 23/24	
	Emp Initiatives:				133,000		10 Mas: 7 completing in 22/23 & 3 in 23/24	
	COVID Jobs Recovery:				3,077,000		27 Kickstart, 1 MA complete 22/23, 33 M.A.'s complete 23.24 (10 Part funded by NOLB), 8 Graduate complete 22/23 + 10 complete 23/24, 60 wage subsidies continuing to 23/24, 35 LTU Programme ending 23/24, 1 temp staff member contract ending 23/23, ICDT Future Jobs 25 clients,	
	NOLB/YPG/PESF (GRG ringfenced - in EMR):				1,035,000	0	29 MA's complete 23/24 (11 part funded by Jobs Recovery EMR) Ringfenced as part of the agreement with Scottish Government through COSLA, wage subsidies to various external companies	
	Covid - PESF (c/f from 20-21 - In EMR):				88,000		Credit to SG £54k. Remaining £34k client costs	
					4,819,000	260,150		
3	Grants - 4 in total Scottish Governemnt						Funds	
	No-One Left Behind:				234,940		1 staff member, LTU training costs, LGV Training, client training and support	
	Parental Employability Support Fund:				154,050		2 staff members + client training and support costs.	
	Young Persons Guarantee:				233,530		2 Staff & client training and support costs	
	Long Term Unemployed				300,000		36 clients	
					922,520			
	UK Government Shared Prosperity				1,400,233		Budget notionally allocated under People & Skills over three years. The investment plan is on separate report this will be presented to this committee for approval	
			Overall Grants		2,322,753	0		
4	External Income from Riverside Inverclyde for 4 MA's & 2 Graduates							

UK Government Shared Prosperity

People and Skills Theme

Project	Description	22/23	23/24	24/25	Total
Next Steps	Working in partnership with a number of Council and HSCP services, this project will support young people living with long term conditions such as learning disabilities and/or Autism to thrive with their transition into employment. The project will help those overcome barrier and progress towards employment, better health and wellbeing, confidence and more positive destination in their life.	60,000	60,000	60,000	180,000
Youth Volunteering Programme	Building on pilot project through Community Renewal Fund create a bespoke programme of volunteering for economically inactive young people. Working with the third sector interface this project aims to work in the local community, supporting those in the most deprived areas of Inverclyde.	12000	48000	48000	108000
Community Option	The aim of this programme is to provide opportunities and enhance opportunities available to young people with autism and/or learning disabilities through developing a strong volunteer-led programme and expanding our supported employment programme. It is a fact that many of our clients will never be in a position to enter the work market—our programmes will ensure that we can build their capacity, skills and resilience to support them to be the best they can be. We have opportunities, through our social enterprise to provide paid employment for a number of our clients and we want to enhance this through a peer support programme and secure funding to ensure more people with additional support needs and learning disabilities can be employed to support the development and delivery of our model.	30,000	30,000	30,000	90,000

Steps 2 Progression	Building on the Community Renewal Funded work of Steps 2 Progression in communities across Inverclyde to embed employability into community centres to raise awareness, improve signposting and strengthening links with the relevant employability partner organisations within our most deprived and disadvantaged communities as per the Scottish Index of Multiple Deprivation (SIMD).		80000	80000	160000
Progress to employment	Support for economically inactive people to work towards employment including key worker support, action planning, skills training to build confidence and progress towards employment.			372,801	372,801
New Country New Opportunities	Activity based pre-pipeline bespoke programmes for particular interested groups, for example New Scots, individuals with addictions, people in recovery, mental health issues, etc. Could be practical, office based and environmental/health-based combination	70,092	104782	129000	303,874
Growth Skills Pathway	Growth Skills Pathways project will work in partnership with WCS will equip local unemployed people, with entry level skills and work experience, equipping them for jobs and apprenticeships across a number of vocational areas of identified need. Lasting between 6 -12 weeks dependent upon the particular Pathways will offer preparation in the vocational areas values and principles, underpinned with accredited Digital Literacy skills and local work placement or simulated work experience. Pathways will develop a local talent pipeline to meet local skill needs particularly around hospitality, care, and green jobs.			112,558	112,558
Art of Enterprise				73,000	73,000
Total		172,092	322,782	905,359	1,400,233