REVIEW OF INVERCLYDE EMPLOYABILITY PIPELINE

MCRC

MAY 2014
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**Appendices**

- Appendix 1: Summary of Welfare Reform Impact on Inverclyde Claimant Groups
- Appendix 2: Summary of Policies Shaping Employability Provision in Inverclyde
- Appendix 3: Analysis of Inverclyde’s Labour Market
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**Addendum A:** The Wood Report ‘Commission for Developing Scotland’s Young Workforce’ Summary of Final Report, June 2014
1.0 Introduction

Inverclyde Council through funding by the Scottish Government commissioned Macgregor Community Regeneration Consultants (MCRC) to undertake a comprehensive review of the Inverclyde Employability Partnership’s current employability service provision and make recommendations for the future delivery of employability services in light of changing labour market, policy and funding contexts.

1.1 Background

As with the rest of Scotland and the UK, Inverclyde continues to face significant challenges as a result of the economic environment. This includes ongoing issues in relation to the local economy and opportunities for business growth; issues of ongoing unemployment – particularly for young people; increased part time work and short term contracts; reduction in public sector finance and capital investment. It is recognised that economic recovery continues to be progressing at a slow pace, and that developing the local economy and creating sustainable employment for local people will be an ongoing challenge.

Moreover, employability services and support are under significant pressure due to the current economic environment and the consequences arising from the implementation of the UK government’s welfare reform programme. In April 2013, research estimated that when fully implemented the welfare reforms will remove £1.6 billion from Scotland’s economy annually over the next five years – with nearly 90% normally being spent locally. Research by MCRC ‘The Cumulative impact of Welfare Reforms in Inverclyde’ (April 2013), estimated that the local loss of £33.5 million in benefit payments per annum will have a knock on effect for the local economy and demography. This presents immense challenges for local retailers, providers of goods and services and those residents seeking employment. The welfare reforms will have a disproportionate impact on Inverclyde SIMD data zones wherein the higher concentrations of benefit claimants and workless households are located. The implementation of welfare reforms will consequently have significant implications for employability services traditionally designed around individual claimants.

The cumulative impact of the welfare reforms combined with the wider and ongoing spending cuts to public sector budgets and diminishing EU funding, will require employability service providers to reassess the current employability services provided through the national Work Programme and the ‘Inverclyde Integrated Employment Pipeline’.

Given the ongoing ‘worklessness’ challenges facing employability service providers, there is an urgent need for the Inverclyde Employability Partnership to make informed decisions on the future delivery and resource prioritisation of partners’ employability services, particularly for services targeting existing and emerging ‘vulnerable’ client groups e.g. ‘newly long term unemployed’, young people at risk of becoming part of MCMC group / unable to access JSA / Work Programme, women returners’, IB/ESA and DLA claimants re-assessed as fit to work.

1.2 Purpose of the Review

In light of changing labour market, policy and funding contexts, Inverclyde Council has decided to commission a process of review of current employability service provision. The review is expected to inform how services should be adapted to:

- Ensure partners’ services are relevant to the needs and challenges / opportunities in the local economy;
- Ensure partners’ actions contribute to addressing gender stereotyping / occupational segregation in the local economy;
- Improve the clarity and quality of employability services to service users;
• Ensure that current integrated employability programme being delivered by partners provides 'value for money';

• Ensure that the integrated employability programme is targeting 'vulnerable' client groups e.g. 'newly long term unemployed', young people at risk of becoming part of MCMC group / unable to access JSA / Work Programme, women returners', IB/ESA and DLA claimants reassessed as fit to work;

• Ensure that IIEP's investment / resources add value to the Scottish and UK Governments funded employability interventions rather than duplicate or substitute;

• Ensure that IIEP’s activities continue to contribute to the primary objectives of the Inverclyde Single Outcome Agreement;

• Provide the Inverclyde Employability Partnership with recommendations for the future design and priorities for the delivery of cost-effective employability services in Inverclyde.

1.3 Methodology

The commission was completed using a variety of quantitative and qualitative research methods:

• Examination of labour market trends for Inverclyde and Scotland;

• A desk-based review of key UK and Scottish policy changes in relation to welfare and employability, alongside a review of changes to ESF and other IIEP funding streams;

• A review of minutes of the Inverclyde Alliance’s Strategic Employability Group and Employer Engagement Sub-Group;

• Analysis of IIEP’s monitoring data & other performance management information to assess the effectiveness of the services delivered through the IIEP;

• Face-to face Interviews with key strategic level stakeholders and IIEP delivery organisations to identify the strengths and weaknesses of the IIEP’s current employability delivery model, how the approach can be improved and their views on the priorities and targets for delivering employability services that address the ongoing ‘worklessness’ challenges facing Inverclyde;

• Design and electronic distribution of Inverclyde Employability Service Providers’ Survey to statutory agencies , private and third sector organisations identified as delivering employability services in Inverclyde;

• Analysis of the responses derived from the Inverclyde Employability Service Providers’ Survey;

• Design and distribution of ‘Employability Pipeline Service Users’ postal survey to 200 clients drawn randomly from the Hanlon Management Information System’s registered client database;

• Analysis of responses derived from the Employability Pipeline Service Users’ Postal Survey

• Facilitation of three focus groups with participants drawn randomly from the Hanlon registered clients' database.
1.4 Report Structure

The remainder of the report is structured as follows:

Section 2 outlines the changing policy and funding environment within which the Inverclyde Employability Pipeline operates;

Section 3 outlines the changing labour market context within which employability services are delivered in Inverclyde;

Section 4 provides a description of the Inverclyde Employability Pipeline and its current employability programmes;

Section 5 provides a description of the range of providers delivering employability services in Inverclyde;

Section 6 summarises the views of Inverclyde Employability Pipeline partners and delivery organisations;

Section 7 provides an assessment of the employability services provided by IIEP contractors from the perspective of clients who responded to the service users’ postal survey and participated in focus group discussions;

Section 8 outlines the limitations of the research and the key issues identified by the research;

Section 9 provides conclusions drawn from review and identifies a number of key lessons for wider consideration by stakeholders;

Section 10 provides a number of recommendations for consideration by the Inverclyde Alliance’s Strategic Employability Group.
2.0 Changing Policy and Funding Environment

2.1 Introduction

The Inverclyde Employability Pipeline has been developed during a period of significant national and local policy change – driven by both spending cuts at a UK, Scottish and local level and reform of the benefits system and employability services at a UK level. In addition, funding for employability at a Scottish level is uncertain beyond March 2014 – with an ESF Priority 5 funding for the period 2014 to 2020 has still to be confirmed. This section provides a desk based review of key UK, Scottish Government and local strategies and policies that continue to have an impact on employability provision in Inverclyde. This has been complemented by a number of stakeholder interviews to assess the changing policy and funding operating environments that have to be considered in relation to the future development of employability services in Inverclyde.

2.2 The State of the UK Labour Market

The UK officially entered recession in the second quarter of 2008 when economic output, as measured by GDP, fell by 0.1%. Economic output fell for six quarters in total until the fourth quarter of 2009 when it rose by 0.3%.

Economic output fell by over 6% during this period which represents the largest fall in output since the 1930s. The UK Government responded with a wide range of measures designed to both mitigate the effects of recession and stimulate a return to growing economic output.

The recession has had a profound effect upon the United Kingdom’s labour market, with claims of core unemployment benefit, JSA, doubling between July 2008 and October 2009. This deterioration comes on top of the stubbornly high numbers claiming Incapacity Benefit that persisted during the years of economic expansion, meaning that nearly 5 million people of working age are effectively removed from the labour market. There are a range of other problems facing the labour market - the black economy, relatively poor skills levels, and the erosion of key industries, for example. It is clear, therefore, that the challenges our labour markets face are of key significance for the productivity and competitiveness of the UK economy.

Labour market performance, however, is about more than just economic success. There is a social agenda at play which links unemployment and worklessness, deprivation, social exclusion, poor housing, poor opportunities and poor self-esteem. Government policy around tackling unemployment and worklessness has changed in recent years, away from a welfare system based upon benefit receipt to one focused upon enabling and supporting people into work. This has been the key focus of the current coalition government’s approach to tackling worklessness.

Initially labelled as a ‘white collar’ recession, with the expectation that the majority of job losses would occur in professional occupations, as a result of the crisis in the financial services sector, this recession has operated as others have – most severely affecting people working with traditionally ‘blue collar’ jobs. Typically, the impact of recessions falls most heavily on the young, full-time workers, males in manual jobs, and the unskilled. A 2009 report by the Institute for Fiscal Studies indicated that employment losses were concentrated among low and medium-skilled workers. This report suggests that employers are retaining their higher-skilled employees in order to be ready to grow and avoid recruitment difficulties once economic recovery takes place. Low-skilled workers are more likely to be easier to replace.

At November 2011, UK youth unemployment stood at a record high with the unemployment rate for those aged between 16 and 24 having reached 20.6 per cent, the highest since comparable records began in 1992. Within the UK, even before the recession, a recent report by the OECD suggested that since 2005 the jobless rate for 16 to 24 year olds in Britain had been growing. However, this issue is exacerbated during times of recession when competition for jobs becomes greater and those with more experience and better skills are more likely to gain and keep employment.
Young people typically find it hard to get established in the labour market owing to their lack of experience, which makes them especially vulnerable in downturns. Failure to find a first job or remain employed can have negative long-term consequences on the career prospects of young people. Beyond the negative effects on future wages and employability, long spells of unemployment can often create permanent scars and many years later, harmful effects on a number of other outcomes can become apparent, for example, job satisfaction, health and happiness.

Another UK employment trend which has implications for skills demand and development opportunities is an increasing polarisation of the labour market caused by an increase in availability of low-income and high-income jobs, and a decline in middle-income jobs. Evidence suggests that this trend is occurring in the UK driven by increased computerisation. High-income jobs (driven by a need to manage the new technology) and low-income jobs (relating to manual non-routine tasks) are both needed, whereas technology tends to substitute the jobs in the middle. Research suggests that individuals in low-wage jobs are more likely to move back on benefits than achieve salary progression. Critics of the coalition government feel that the overall state of the labour market will be a fundamental factor in the extent to which the government’s ‘welfare to work’ and skills reforms are successful in moving more people back into sustained employment.

2.3 UK Government’s Responses to Worklessness

With the advent of the UK Coalition Government the policy environment for employability has changed radically. The Coalition Government is equally concerned with issues of work and worklessness; the foreword to their consultation on welfare reform concluded with a clear message that their aim is to ‘end the culture of worklessness and dependency that has done so much harm to individuals, families and whole communities ... [and to] change forever a system that has too often undermined work and the aspiration that goes with it.’

Despite ongoing criticisms and political opposition, the Coalition Government have introduced major reforms to the benefits system through the ‘Welfare Reform Act, 2012’, including the tightening of eligibility criteria and a tough new set of sanctions, which are intended to encourage a return to the world of paid work. The introduction of the ‘Work Programme’, Britain’s largest employment programme for decades, is a major move into a system of payment by results for the public sector. The ‘Work Programme’ aims to provide tailored support for the needs hundreds of thousands of long-term benefit claimants and is integral to the coalition government’s drive to tackle long-term unemployment and benefit dependency. The ‘Work Programme’ is seen by the Coalition Government as an essential part of their plan to move 1.6 million people off incapacity benefit by 2014.

2.4 The Welfare Reform Act, 2012

The Coalition Government has introduced some of the biggest changes to the welfare system in 60 years, with the aim of saving around £18 billion by 2015. Though the ability to make this scale of changes partly depends on the overall performance of the economy, there is no doubt that the Coalition Government is serious about both major policy change and major structural change to produce savings.

Welfare reform has been identified as a priority for the Coalition Government; they consider the current system to be mired in complexity, fraud and a costing mechanism where it pays to be on benefit rather than in employment. There are a number of key elements to the Government’s welfare reform proposals contained in the Act, some of which have already been introduced and were in place under the previous government:
• to replace the complex array of out of work benefits and working tax credits with a single Universal Credit;
• introducing a single taper rate for benefits and tax credits and a higher earnings disregard, to ensure work provides an uplift in income and encourages a move away from benefits;
• increasing conditionality to include a ‘work preparation’ stage and toughening sanctions to encourage more people to actively seek work. This includes Mandatory Work Activity, a four week work placement in return for benefit payments;
• increased sanctions for claimants that are considered not to be showing compliance with the requirements of their benefit payments. In the most extreme cases, this could involve benefit payments being stopped for up to three years.

The recent and ongoing changes to the welfare reform agenda are deep rooted and complex. National and local research indicates that welfare reforms will lead to significant rises in both levels of ‘absolute’ and ‘relative’ poverty for children and working age adults in Inverclyde.

Recent analysis by the Institute of Fiscal Studies (IFS) estimated the impact of tax and benefit reform on different household types at a UK level. The study found that families with children are expected to lose disproportionately more of their income compared to pensioner and working age households. The poorest households with children are expected to lose the largest proportion of their income because of tax and benefit changes. The findings of the IFS research are a particular concern in Inverclyde given the high levels of deprivation in the Inverclyde area. Inverclyde is currently one of the most deprived local authorities in Scotland.

The report by End Child Poverty (February 2013), also indicated that Inverclyde has one of the highest rates of child poverty in Scotland. The report estimated that there were 3,834 Inverclyde children in poverty i.e. 24% of Inverclyde children were living in poverty.

Sheffield Hallam University’s research ‘Hitting the Poorest Places Hardest’ (CRESR, April 2013) identified the 50 UK local authorities estimated to be worst affected by the welfare reforms. The research identified Britain’s older industrial areas, a number of seaside towns and some London boroughs that will be hardest hit by the impact of welfare reform. Glasgow is ranked 23rd (average loss per working age adult £650) and Inverclyde is ranked 30th (average loss per working age adult £630). As a rule, the more deprived the local authority the greater the financial hit resulting from the welfare reforms. The research identified Scotland’s older industrial areas as being hit especially hard. (Glasgow, Inverclyde, Dundee, and West Dunbartonshire). The key effect of welfare reforms will be to widen the gaps in prosperity between the best and worst local economies in Scotland. It is estimated that by 2014-2015, the impact of the welfare reforms will result in an annual loss of £33.5m per annum to Inverclyde.

‘Welfare Reform’ involves both reductions in benefits and a re-design of the benefit system to create easier transitions to work. The most significant part of the ‘reform’ is the rolling up of a range of benefits into the new ‘Universal Credit’ aimed at helping unemployed people make a more successful transition to work – but many will need sustained support for this opportunity to be fully exploited, and they will need jobs to go to.

However, reductions in the income of many households create a significant threat that some households will slip into crisis and that this will have a detrimental effect whether they are in work (on low pay) or seeking work. The impact of welfare reform and the introduction of Universal Credit in Inverclyde are therefore relevant to this study. There is an important role for local authorities such as Inverclyde Council to:
• Help people exploit the opportunities created by welfare reform by a sustained focus on business growth and inward investment to strengthen local job creation and helping those seeking work to compete for the vacancies through enhancing employability.

• Reduce the risks created for individuals, families and communities through a sustained effort at the strategic and operational level.

In addition, Universal Credit makes new demands on claimants for example, in terms of managing a monthly budget which is paid into a bank account and maintaining an up to date profile on the web.

MCRC’s detailed work for Financial Fitness, on the “Cumulative Impact of Welfare Reform in Inverclyde” (See Appendix 1 – Summary of Welfare Reform Impact on Inverclyde Claimant Groups) identified those individuals and families who are likely to be most affected financially and that the communities where they are concentrated are likely to lose significant local income that may threaten locally based businesses, some of which may be important in terms of social capital (e.g. local cafes, shops and pubs.)

The impact of welfare reform and the related introduction of Universal Credit will increase the demand on a range of support services in Inverclyde – and is likely to lead to more people taking low paid work and/or more part time roles. Helping those seeking work to benefit from the ‘upside’ of Universal Credit – making it easier to take short term work or put together a mix of part-time roles – while mitigating the ‘downside’ of possible significant reductions in household income will be a major challenge facing Local Authorities over the next years.

2.5 The Work Programme

The Work Programme aims to deliver flexible support to help long-term claimants of Jobseeker’s Allowance and some claimants of Employment and Support Allowance to move into sustainable jobs. It has been in place since the summer of 2011. It is estimated that over the five years, 3.2 million people will start the Work Programme, with 1.5 million on the Programme at its peak.

Alongside the Universal Credit, the Work Programme is central to the Coalition Government’s plans to reform welfare and increase employment. It is the single largest employment programme ever contracted, replacing a number of separate welfare-to-work programmes, in particular the New Deal and Flexible New Deal (which supported long-term unemployed jobseekers), and Pathways to Work (which supported those on incapacity benefits and Employment and Support Allowance). By bringing support for these groups within a single programme, the Government hopes both to realise greater efficiencies and economies of scale, and to encourage a more joined-up approach, based on the individual rather than their benefit.

Prime contractors will deliver the Work Programme. There are 2 prime contractors in Scotland and operating in Inverclyde i.e. Ingeus and Working Links. The prime contractors are paid for “job outcomes” (defined as employment of thirteen or twenty six weeks, depending on the group) and job sustainment (for each additional four weeks of employment), with a small amount paid up-front for each participant on the programme Prime contractors have flexibility to design and deliver whatever employability services they consider will be the most effective in getting their clients back into work (known as a black box approach). This is in stark contrast to previous programmes where provision was been tightly controlled by Government. However, some implications of the design of the programme are:

• As a result of greater conditionality, benefit reassessment and having a single programme for all clients, the client group will be much more diverse and harder to place into sustainable employment than for previous programmes.
• As payments are heavily weighted towards sustainable job outcomes, prime contractors are likely to invest significantly in job brokerage and employer engagement services.

• Higher costs and lower outcomes associated with placing individuals further from the labour market into work meant these clients were often ‘parked’ by previous programmes and the weighted payments are intended to address this problem. However, it remains to be seen whether the payments for working with disadvantaged groups are sufficiently generous to encourage Work Programme contractors to dedicate significant resources to assisting these groups into work. Consultations with ‘Inverclyde Works’ service providers and with focus group participants suggest that in Inverclyde, Ingeus and Working Links appear to be ‘parking’ or ‘referring informally’ those clients furthest away from employment opportunities to other local employability service providers e.g. ICDT, Financial Fitness

In March 2014, the Department for Work and Pensions published the latest statistics from the beginning of the Work Programme in June 2011 to the end of December 2013. The headline results were:

• Performance for the whole programme has remained the same, with little improvement;
• 1.44 million people have been referred to the programme but there has been a 32% decline in referrals compared to the end of 2012;
• JSA groups showed a small (1 percentage point) improvement and are either at or above the minimum performance;
• ESA claimants continue to be far below performance expectations;
• New ESA claimants showed a small increase from 4 to 5% but are considerably below the minimum performance of 9.3%;
• Those who get a job are staying in work for longer than expected – on this measure the Work Programme is doing well;
• Men get more jobs through the Work Programme than women – with the gap increasing;
• Young people are doing exceptionally well, 25-49 year olds not so well, and over-50’s poorly;
• People with a disability are the least successful in getting a job through the Work Programme;
• The Provider performance league table has remained broadly unchanged, but the performance difference between providers increases the longer people are on the programme;
• On average £577 per person per year is paid by DWP to providers – 14% below that originally estimated;

Figure 2.1 below highlights the recent analysis undertaken by the Centre for Economic & Social Inclusion on the overall performance of the Work Programme (June 2011 – December 2012 referrals).
**Figure 2.1:** *Inclusion* Job Outcome Measures for all participants – equivalent minimum benchmark compared to actual (Jun 2011–Dec 2012 referrals)

- Equivalent minimum benchmark (shaded section represents economy effect)
- Actual performance

Source: Centre for Economic & Social Inclusion, 20 March 2014

Tables 2.1 and 2.2 below summarises the Inverclyde cumulative tables for referrals, attachments and job outcomes by payment group by age up to December 2012

**Table 2.1: Work Programme – Inverclyde Cumulative Tables Referrals, Attachments & Job Outcomes by Payment Group by Age, up to December 2012. (Source: DWP, March 2014)**

<table>
<thead>
<tr>
<th>Payment Group</th>
<th>Total Referrals</th>
<th>Total Attachments</th>
<th>Job Outcomes</th>
<th>Job Outcome Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>JSA 18 to 24</td>
<td>380</td>
<td>370</td>
<td>70</td>
<td>18.9%</td>
</tr>
<tr>
<td>JSA 25 and over</td>
<td>1,120</td>
<td>1,110</td>
<td>180</td>
<td>16.2%</td>
</tr>
<tr>
<td>JSA Early Entrants</td>
<td>410</td>
<td>400</td>
<td>60</td>
<td>15.0%</td>
</tr>
<tr>
<td>JSA Ex-Incapacity Benefit</td>
<td>80</td>
<td>70</td>
<td>10</td>
<td>14.3%</td>
</tr>
<tr>
<td>ESA Volunteers</td>
<td>70</td>
<td>70</td>
<td>10</td>
<td>14.3%</td>
</tr>
<tr>
<td>New ESA claimants</td>
<td>370</td>
<td>360</td>
<td>10</td>
<td>2.8%</td>
</tr>
<tr>
<td>ESA Ex-Incapacity Benefit</td>
<td>100</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IB/IS Volunteers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>JSA Prison Leavers</td>
<td>80</td>
<td>70</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,610</strong></td>
<td><strong>2,560</strong></td>
<td><strong>340</strong></td>
<td><strong>13.3%</strong></td>
</tr>
</tbody>
</table>
Table 2.2: Work Programme – Inverclyde Cumulative Tables Attachments by Age by Contract, up to December 2012

<table>
<thead>
<tr>
<th>Age Group</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-49</th>
<th>50-54</th>
<th>55-59</th>
<th>60+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachments</td>
<td>550</td>
<td>630</td>
<td>610</td>
<td>320</td>
<td>210</td>
<td>210</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: DWP, March 2014

The performance tables from DWP indicate that performance in placing people in sustainable work is not strong (and in most areas such as Inverclyde is lower than the preceding New Deal) – and that in nearly all areas those furthest from work appear to be being ‘parked’ (usually involving passing them to a telephone contact service) because the additional financial incentives for helping them find sustainable work isn’t enough to make it worthwhile to provide effective support. Jobs for ESA claimants’ remains significantly below expectations – the single largest problem for Work Programme

The Work Programme’s focus is on the long term unemployed (defined as 9 months plus for under 25s and 12 months plus for those aged 25 and over). Responsibility for getting those unemployed for shorter durations back into work lies with Jobcentre Plus, who are tasked to facilitate and coordinate a range of supports under the banner of ‘Get Britain Working’. These include: Work Together; Work Clubs; Work Experience; New Enterprise Allowance; Enterprise Clubs; Sector Based Work Academies (SBWA); Mandatory Work Activity (MWA); JC Plus Youth Contract. (Appendix 2 provides a summary of the support provided by Jobcentre Plus underpinning ‘Get Britain Working’).

2.6 Scottish Government Policies

There are a number of key national strategies that have shaped the delivery of economic development and employability activities in Inverclyde. A number of key Scottish government policies are summarised in Appendix 2. The key documents that have shaped the development of employability services in Inverclyde include:

**Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth.**

In October 2010, the Scottish Government launched a refreshed Skills Strategy, ‘Skills for Scotland’. The Strategy describes a partnership approach to meeting Scotland's skills requirements and concentrates on ‘the skills required to accelerate economic recovery and to sustain a growing, successful country with opportunities for all of Scotland to flourish’. The strategy highlights the fact that an improved skills base had not led to higher productivity and economic growth, and identifies the need for better anticipation and delivery of the strategic skills required for future economic challenges. The refreshed Skills Strategy identified four priority areas for action:

- Empowering individuals;
- Supporting employers;
- Simplifying the skills system;
- Strengthening partnerships;
The refreshed Skills strategy aims to improve the employment opportunities for individuals, the productivity of businesses and the quality of public services.

The Scottish Government Economic Strategy (2011) set out six strategic priorities to drive sustainable economic growth and development at a national level, and develop a more resilient and adaptable recovery. The strategic priorities are: Supportive Business Environment; Transition to a Low Carbon Economy; Learning, Skills and Well-being; Infrastructure Development and Place; Effective Government; and Equity.

Achieving a Sustainable Future: The Scottish Government Regeneration Strategy (2011) outlines the overall approach to regeneration as being a holistic means of addressing the economic, physical and social needs of communities, placing community-led regeneration at the centre of effective delivery.

Working for Growth: A Refresh of the Employability Framework for Scotland was published in September 2012. This Framework retains some key aspects of the original Framework ('Workforce Plus' published in 2006) with its focus on joining up actions and aligning resources locally through active management by local employability partnerships. The refreshed framework recognises that the economic downturn has resulted in an increased demand for employment and an increased number of highly qualified individuals looking for work. The refreshed framework sets out the Scottish Government's priorities in line with the Christie report on Public Sector Reform: effective leadership; greater integration and partnership working; tackling inequality and improving performance.

‘Working for Growth’ develops a new emphasis on five specific areas which are relevant to Inverclyde:

- Strengthening the connection between economic development and employability against the background of a sluggish economy. Identifying how this can be done in practice has been a key part of the Scottish Government’s work.
- Making a stronger link between skills development and employability.
- Drawing more substantially on the skills, experience and resources of additional partners, in particular Further Education Colleges, and the third and private sectors.
- Developing the prevention agenda around employability – in other words getting to grips with the issues underpinning the difficulties some face in gaining the right skills and the attitudes needed to gain a job and thrive in work.
- Actively managing performance at a local level to ensure that the greatest return is being achieved for the resources applied to the task of enhancing skills and employability.

A number of recent policies will also potentially shape the delivery and focus of future employability provision in Inverclyde. These include:


it every three years and report annually, Scottish Ministers published their first Child Poverty Strategy for Scotland in March 20011. The revised Strategy reformulates the two overarching aims* of the previous Strategy as outcomes and recognises the increasing emphasis on place-based policy by introducing a third outcome. The revised Strategy concentrates on three distinct outcomes:

- Maximising household resources* (Pockets);
- Improving children's wellbeing and life chances*(Prospects);
- Children from low income households live in well-designed sustainable places (Places)

All three stated outcomes have relevance to the development of the evolving employability and poverty agendas in Inverclyde. The Scottish Government’s outcome aspiration to ‘maximise household resources’ in particular, aims to reduce income poverty and material deprivation by maximising financial entitlements and reducing pressure on household budgets among low income families, as well as by maximising the potential for parents to increase family incomes through good quality, sustained employment, and promoting greater financial inclusion and capability.

The revised Strategy recognises in-work poverty has become an increasingly significant issue for families in Scotland, with over half the children in poverty living in households where at least one person is working, recognises the importance of developing qualitative and sustainable employment, supports the ‘Living Wage Accreditation’ campaign and promises to extend affordable and flexible childcare provision to assist parents access to employment opportunities.

Further Education College Merger – As part of the process of reforming the current delivery of further education a new Regional College has been established through the merger of Clydebank College, James Watt College and Reid Kerr College. The merger was completed in November 2013, with the new West College becoming operational after that date. As part of this process, there is a requirement that the new West College will secure at least 20% of their funding through income generation activity. It is envisaged that this approach will be used to develop and improve the sustainability of the new College structure. However, the approach will also have an impact on the culture of the merged colleges and the move towards a more business orientated approach that could work against the commitment towards partnership and joint working. It will be important to consider the implications of the development of the new West College for the Inverclyde area as part of the future development of services. Given the current operational and staff restructuring taking place because of the college merger, it will be important to ensure that the contribution and strategic role of West College in the future work of the Inverclyde Employability Partnership is sustained.

2.7 Policies Supporting Young People’s Employment and Skills in Scotland

The context for young people’s employability and skills development in Scotland is provided by the Government’s Economic Strategy, the Employability Strategy for Scotland, the refreshed Skills for Scotland Strategy, the More Choices, More Chance Strategy (which focuses on the 7 Local Authority ‘hotspots’ that included Inverclyde), the 16+ Learning Choices model, the Opportunities for All initiative and the Youth Employment Strategy. The opportunities include: Modern Apprenticeships; Employability Fund opportunities; Community Jobs Scotland; Inspiring Scotland 14-19 Fund and Flexible training opportunities (Appendix 1 provides a summary of key policies supporting young people’s employment and skills in Scotland)

At the time of finalising this review, the Wood Report ‘The Commission for Developing Scotland’s Young Workforce’ had not been finalised and published. The Commission was set up in January 2013 to consider:
• How a high quality intermediate vocational education and training system, which complements our world-class higher education system, can be developed to enhance sustainable economic growth with a skilled workforce.

• How to achieve better connectivity and co-operation between education and the world of work to ensure young people at all levels of education understand the expectations of employers, and that employers are properly engaged.

• How to achieve a culture of real partnership between employers and education, where employers view themselves as co-investors and co-designers rather than simply customers.

**NB- Addendum A provides a summary of the recommendations made in the final report published in June 2014.**

### 2.8 Local Policies Relating to Employability

At an Inverclyde area level, the Inverclyde Community Planning Partnership (Inverclyde Alliance) has overseen a number of inter-related policies and strategies addressing worklessness and promoting employability. These have included: the Inverclyde Community Plan ‘Inspiring Inverclyde’ (2008-2018); Inverclyde Single Outcome Agreement (SOA) ‘Getting it Right for Every Child, Citizen & Community: A Nurturing Inverclyde’ (2012-2017); Inverclyde Economic Regeneration Development Strategy 2011-2014; Inverclyde Construction Plus Partnership – Community Benefit Initiative; the Inverclyde Integrated Employability Programme (including the development of the Inverclyde Employer Plus initiative) and the utilisation of the previous UK Government’s ‘Future Jobs Fund’. (Appendix 1 provides a summary of the key local policies and strategies shaping the delivery of employability provision in Inverclyde.)

A number of key policies will continue to shape and inform the delivery of employability provision in Inverclyde. These policies include:

**Inverclyde Integrated Employability Programme (2008 - 2016)**

Since October 2008, the Inverclyde Alliance has overseen the delivery of the ‘Inverclyde Integrated Employability Programme’ that encompasses the stated objectives and outcomes of Inverclyde’s Community Plan and Single Outcome Agreement. To-date the main activities delivered through the Inverclyde Integrated Employability Programme have included:

• The provision of a wide range of employability services contracted to and delivered by Inverclyde Community Development Trust (ICDT). The value of this contract is £2.3 M.

• The application of £1.56 M Future Jobs Fund (FJF) to employ 240 people over 18 months with jobs available in Environmental; Construction; Health & Leisure; Culture and Youth Services. Through the Future Job Fund programme, individuals received 6 months of work (paid above the minimum wage rate) and also the opportunity to acquire accredited training certificates/qualifications.

• Allocating FSF and ERDF funding to develop existing Job Brokerage activity and the expansion of ‘Single Point of Contact’ (SPOC) model currently operating within Inverclyde for the construction sector.

Extending the SPOC model into additional sectors, providing a resource dedicated to and focussed on working with local employers to address their skill shortages and training needs, enabling the Inverclyde CPP to build and maintain strong working relationships with a large number of companies able to provide work experience, work trials, and jobs to local people supported via ESF and/or
Inverclyde Alliance’s ‘Youth Employment Action Plan ‘2012-2015’

Inverclyde Council and its community planning partners (including Skills Development Scotland, West College, Jobcentre Plus, Inverclyde Chamber of Commerce and Inverclyde Community Development Trust) have identified tackling youth unemployment as a key objective. The implementation of the Action Plan is overseen by the multi-agency ‘Opportunities for All ‘working group. The following broad areas of activity have been identified as key targets in tackling youth unemployment:

- Increase employment opportunities for young people aged 16-24;
- Assist young people to access training and employment;
- Target vulnerable groups of young people to help them access training and employment;
- Maximise opportunities and participation rates in education and learning to increase the levels of skills and qualifications;
- Promote partnership working and data sharing;

Inverclyde Council’s Employer Plus Wage Subsidy

To help small/medium sized companies to grow, Inverclyde Council operates a wage subsidy programme, to encourage employers to create new jobs for local young people. The Employer Plus Wage Subsidy is available to pay half of the national minimum wage for the age of the young person employed, payable for up to a maximum of 26 weeks. Jobs must be for a minimum of 25 hours per week and no more than 40 hours per week. Jobs must be for a period of 26 weeks or more, be additional to the existing workforce and must not replace positions that would otherwise be filled. The EPWS can be used to support a new Modern Apprentice place.

The programme is open to young people who live in Inverclyde aged 18-24 years and who have been unwaged or unemployed for less than six months. In addition to the financial incentive on offer, support is also available from the Employer Engagement Plus (EEP) Team, which can include identification of suitable candidates, assistance in the selection and interview process and support to prepare job descriptions and a contract of employment. This type of support is often essential in helping a small/medium sized business to take the initial step to increase its workforce.

Inverclyde SOA ‘Getting it Right for Every Child, Citizen & Community: A Nurturing Inverclyde’ - 2013 -2017. The SOA describes how community planning partners combined actions will contribute to the economic and social regeneration of Inverclyde. The revised SOA identifies a number of strategic local outcomes that contribute to employability agenda within Inverclyde, these include:

SOA 3: “The area’s economic regeneration is secured, economic activity in Inverclyde is increased, and skills development enables both those in work and those furthest from the labour market to realise their full potential”;

SOA 6: “A nurturing Inverclyde gives all our children and young people the best possible start in life”;

SOA8: “Our public services are of high quality, continually improving, efficient and responsive to local people’s needs”.

2011-2014 and Riverside Inverclyde’s (ri) Business Plan 2012-2017. Six key priorities have been identified for Inverclyde:

- Priority 1 - To grow and diversify the business base;
- Priority 2 - To increase Inverclyde’s capacity to accommodate private sector jobs;
- Priority 3 - To boost skill levels and reduce worklessness;
- Priority 4 - To accelerate the regeneration of strategic employment sites and town centres;
- Priority 5 - To progress the renewal and economic regeneration of the most disadvantaged areas of Inverclyde; and
- Priority 6 - To co-ordinate action and investment with partners

The six priorities are seen as supporting the goal of creating a more competitive Inverclyde through supporting business growth, investment, and job creation. Investment by Inverclyde Council and ri will be targeted on a small number of projects within the six priorities, in line with the key strategic themes of business, people, place and partnership.

The strategic aim of Priority 3 is to support local residents (including young people), to develop employability and vocational skills and link them with new job opportunities in Inverclyde and the wider City Region economy. The Operating Plan indicates that the Council’s regeneration team will have the responsibility for the delivery of employability services and the focus on vocational training and higher skills level support for growth sectors, including the apprenticeship programme. The Operational Plan proposes a range of employability and job creation schemes to address unemployment in Inverclyde that would include:

- Youth employment initiatives
- Employability services delivered by the Council
- Other employability services contracted to third parties to deliver through the Regeneration Fund
- Local labour projects / community benefit clauses
- Youth Employment Fund contract (previously Get Ready for Work)

The total indicative funding allocated to supporting the delivery of employability and vocational skills for 2014–2017 is £7,906,500 (£6,910,000 - allocated to Employability/Future Jobs Fund and £996,550 allocated for vocational training & development).

2.9 Funding Considerations

All partners face constrained or reduced budgets as a result of the Comprehensive Spending Review announced in October 2010. At a Scottish level, funding to the Scottish Government will fall in real terms from £29.2 billion in 2010/11 to £25.9 billion in 2014/15, or a decline of 11.3%. This will feed through into reduced budgets for key employability partners including local authorities, Skills Development Scotland and colleges. Similarly, Jobcentre Plus’ budget is under pressure. These budget cuts are having an impact on the delivery of both mainstream (SDS, JCP, FE places, etc.) and discretionary employability services.

Prior to April 2010, non-mainstream employability services in Inverclyde relied heavily on Fairer Scotland Fund allocated by the Inverclyde Alliance. Since April 2010, the Fairer Scotland Fund was rolled up into local authorities general revenue funding. The other main source of funding which has contributed to the development of job brokerage and employer engagement activities has been ESF/ERDF funding. The Council, on behalf of the Inverclyde Alliance, successfully submitted an ESF ‘Priority 5’ and linked ERDF bids.
Currently, the Council is awaiting confirmation about the continuity and level of ESF/ERDF funding that will be available under the new EU Programme 2014-2020. The uncertainty of both national and EU funding continues to cause concern and a hiatus in terms of planning and prioritising future employability services in Inverclyde.
IMPLICATIONS FOR INVERCLYDE EMPLOYABILITY PARTNERSHIP

There is often tension between unemployment policy made at the national level and delivery locally. Whilst there is rhetoric of local policy-making and delivery from central government in tackling unemployment, policy remains overwhelmingly centralised particularly around benefit management and job brokerage functions. It is recognised at a local authority level, that centralised welfare policy restraints constrain the ability of local authorities to react to recession related unemployment.

- The UK Government’s ‘Welfare Reforms’ have introduced greater conditionality and benefit re-assessment, potentially increasing the number of additional clients furthest from the labour market e.g. IB/ESA, DLA claimants, women returners and ex- ‘Work Programme’ participants, seeking advice and employability support. This will require a targeted response by employability service providers to clients, particularly those re-assessed ‘fit for work’ after long periods of unemployment due to limiting ill-health.

- The impact of welfare reform and the related introduction of Universal Credit will increase the demand on a range of support services in Inverclyde – and is likely to lead to more people taking low paid work and/or more part time roles. Helping those seeking work to benefit from the ‘upside’ of Universal Credit – making it easier to take short term work or put together a mix of part-time roles – while mitigating the ‘downside’ of possible significant reductions in household income is a challenge facing Councils over the next year or so.

- To-date, the performance of the ‘Work Programme’ primary contractors operating within Inverclyde – Ingeus and Working Links’ in placing people in sustainable work is not strong (and is lower than the preceding New Deal) – and that those furthest from work appear to be being ‘parked’ because the additional financial incentives for helping them find sustainable work is not enough to make it worthwhile to provide effective support. As elsewhere, in Inverclyde jobs for ESA claimants’ remains significantly below expectations – the single largest problem for Work Programme.

- With the exception of Jobcentre Plus, at present there is no formal working relationship or engagement between the Work Programme prime contractors and other employability service providers operating in Inverclyde. To avoid service duplication, ensure effective targeting and maximisation of limited local employability resources, there is an obvious need for the Inverclyde Employability Partnership to engage with the prime contractors to address issues around ‘parking’ of clients with other agencies, especially the increasing number of unemployed ex-Work Programme participants seeking support from other less well resourced employability service providers.

- In terms of the local implementation and delivery of the Scottish Government’s range of inter-related policies addressing employability and worklessness, all employability partners continue to face constrained or reduced budgets resulting from the latest Comprehensive Spending Review. Given the public sector spending cuts ongoing impact on mainstream and discretionary employability services, key stakeholders (Inverclyde Council, SDS, West College and JCP), will require to find efficiencies, improve effectiveness and prioritise services to meet the changing operational environment within which the Inverclyde Employability Partnership’s strategic objectives are delivered.

- The Inverclyde Economic Development & Regeneration Operating Plan 2014-2017, indicates that the plan’s strategic priorities and indicative funding offers an opportunity to underpin the delivery of the Inverclyde Employment Pipeline.
3.0 Description of the Inverclyde Employability Pipeline

3.1 Introduction

The Inverclyde Employability Partnership is the strategic local employability partnership that brings together representatives of Inverclyde Council, JobCentre Plus, West College Scotland, SDS, Inverclyde Community Development Trust and Inverclyde Chamber of Commerce. To help coordinate and integrate employability service provision has developed the Inverclyde Employability Pipeline.

3.2 Defining Employability

The conventional definition of employability applied by successive Scottish Governments states that:

‘Employability encompasses all the things that enable people to increase their chances of getting a job, staying in and progressing further in work. For each individual there will be different reasons why they are not achieving what they would like in employment - perhaps their confidence and motivation, their skill, their health or where they live compared to where jobs are available. Helping people to improve their individual employability is key to our aim of moving more people into sustained work’. (Workforce Plus, Scottish Executive, 2006)

Employability is viewed as the combination of factors which enable people to progress toward and into employment, to stay in employment and to move on in the workplace.

The Pipeline Approach to Employability Service Delivery

Research indicates that those clients furthest away from employment opportunities need services which are easily accessible at the time they need them. There is growing acceptance that employability services need to come together in a ‘pipeline of services’ which provides pathways for clients.

- Some clients will move from the start to the finish of the pipeline.
- Other clients will start later in the pipeline and may miss out some steps.

The key thing is that the pipeline is joined up and all the key gaps are plugged. This way it can cater for the needs of very diverse clients.

3.3 The Inverclyde Employability Pipeline

Figure 4.1 below illustrates the integrated approach to employability being promoted by the Inverclyde Alliance to avoid the artificial distinction between activities supporting the unemployed / workless while acknowledging the skill needs of local employers and their workforce. The ‘employability pipeline’ model represents the five key stages which an individual may travel towards sustainable employment. It is envisaged by local employability partners that each of the five stages will ensure that the needs and opportunities for individuals are locally connected and that the skills and expertise of relevant partner agencies / organisations are drawn upon operationally and strategically.
Figure 3.1: Inverclyde Employability and Inclusion Programme

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
<th>Stage 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Engagement &amp; Assessment</td>
<td>Barrier Removal &amp; Positive Activity</td>
<td>Early Work &amp; Later Work Preparation</td>
<td>Employee/Employer Support, Engagement &amp; job Matching</td>
<td>In-Work Aftercare Support &amp; Skills Development</td>
</tr>
</tbody>
</table>

Exploring opportunities for joint working & referral processes with frontline staff of other agencies who are in contact with clients – CHCP, Inverclyde Council, Jobcentre +, SDS, West College

Undertaking a range of client engagement activity including marketing, targeted outreach in community hubs

Hanlon MIS - client registration & progress tracking

Inactivity

Initial Assessment of needs

Personal Development Plan

Identify Barriers

Early Work Preparation

Training & Development

- Personal & Vocational Skills, Language Support, Literacy & Numeracy Skills

Addressing Barriers

- Childcare, Benefit /Debt Advice, Addictions, Criminal Record, Homelessness, Self-Confidence & Motivational Barriers.

Later Work Preparation

Job Search, Interview Techniques, CV Workshops, Job Applications

Employer Engagement Activity & Job Brokerage

Identify Employers /Job Opportunities

Matching Clients to Vacancies

Promotion of Employer Offer

Package to Support Recruitment & Staff Development

Promote Community Benefits & Corporate Responsibility

Promoting Health at Work

In-Work Employment Advice & Guidance

Future Jobs / ILM Initiatives

Initiatives to tackle in-work poverty

In-work Employment

Provision of business skills for social enterprise & self-employment

Supported Employment

Workforce Development

Up-skilling of workforce

Development of vocational skills among low-skilled & low-waged individuals

Sustained Employment

Client Tracking & Monitoring of Client Progression (HanlonMIS)
3.4 The Role of the Inverclyde Employability Partnership

The Inverclyde Employability Partnership’s main objective is to facilitate, support and co-ordinate the provision of employability services in Inverclyde.

In terms of the current operational structures, two Inverclyde Alliance employability sub-groups have been established to oversee the delivery of Inverclyde Employability Pipeline services. The Strategic Employability Group and Employer Engagement Group sit below the Inverclyde Alliance Board.

Strategic Employability Group

The Strategic Employability Group’s role and remit was perceived as offering strategic leadership and direction in relation to partner organisations’ delivery of employability services in Inverclyde. The key objectives of the Strategic Employability Group were identified as follows:

- To achieve key policy objectives as established at local, regional and national level;
- To work together in partnership to deliver the range of services and programmes which contribute to the Inverclyde Employability Pipeline;
- To ensure through joint planning the most effective use of current and future resources;
- To ensure partnership working contributes to economic development and business growth that will maximise opportunities within the labour market for sustainable employment;
- To manage effective and cohesive employer engagement activity;
- To maximise opportunities and participation rates in education and learning to increase the levels of skills and qualifications;
- Deliver services and support across Inverclyde that will reduce benefits dependency and individual barriers to participation in the labour market.

Membership of the Strategic Employability Group currently comprises of representatives drawn from Inverclyde Council, Inverclyde CHCP, Inverclyde Chamber of Commerce, Inverclyde Community Development Trust, JobCentre Plus, Skills Development Scotland, West College Scotland and Inverclyde CVS.

At the time of writing, the Strategic Employability Group produced and submitted annual and quarterly Local Outcome Progress Reports to the Inverclyde Alliance Board. These progress reports did not follow the reporting template used by other SOA Programme Boards. The reports emanating from the Strategic Employability Group provide an overview of partner agencies activities and service outputs that may contribute to the Inverclyde SOA targets. Apart from noting the service delivery performance of ‘Inverclyde Works’ contractors, there is no apparent evidence from the minutes of the Inverclyde Alliance’s Board Meetings that the progress reports submitted by the Strategic Employability Group are scrutinised by the CPP in relation to partner agencies contributions to meeting the SOA employability targets. To-date there is no evidence indicating that the Inverclyde Alliance undertook robust annual performance reviews of the employability services delivered under the ‘Employability Pipeline’ concept.

Consultees interviewed suggested that the Strategic Employability Group has fulfilled its perceived role and remit, however, the time is now appropriate for a refresh as the SEG has been in existence since 2008 and may have exhausted its remit. Latterly, the Strategic Employability Group is perceived as primarily acting as a forum for organisations to present information on their individual services and digest information on new funding streams, organisational restructuring and changes to organisational representation at the employability sub-groups.
Employer Engagement Group

The original role and remit of the Employer Engagement Group was perceived as developing effective and cohesive employer engagement activity and overseeing the implementation of the Inverclyde Employer Plus initiative that was established to:

- Ensure Inverclyde employers can access the full range of business and recruitment support;
- Provide a gateway to all appropriate services, not just those delivered by individual organisations;
- Enable employers to recruit from a wider pool of candidates, including those at a disadvantage in the labour market and in vulnerable groups;
- Assist employers get the right people for their jobs;
- Ensure that Inverclyde jobseekers benefit from a wide range of contacts with employers who are willing to take reasonable steps to assist them into work.

Analysis of Employer Engagement Group minutes indicate that this group notionally meets on a quarterly basis and its membership is drawn from representatives of Inverclyde Council, Inverclyde Community Development Trust, Inverclyde Chamber of Commerce, JobCentre Plus, Skills Development Scotland and West College Scotland.

The group has produced two Action Plans covering the periods April 2011 to March 2013 and April 2013 to March 2014. Whilst the latest action plan indicates progress has been made in terms of specific outputs e.g. producing Employer Plus marketing materials and participation in national employability forums, the group’s minutes reflect that the Employer Engagement has evolved into a similar role to that of the Strategic Employability Group i.e. it acts as a depository for sharing information on national employability forums, new funding streams, service updates from partner organisations and headline reports from the Trust’s Employer Engagement Unit.

Employability Practitioners’ Forum

In addition to the two Employability Sub-Groups established by Inverclyde Alliance, over the past 18 months an employability practitioners’ forum has been established by organisations either delivering employability services directly or indirectly to a variety of distinct client groups. The practitioners’ forum provides an informal network for statutory and non-statutory organisations with an interest in developing services for individuals seeking advice and support to address personal barriers to sustaining employment. Based on observation and consultations with service providers the practitioners’ forum appears to offer an opportunity for operational staff to come together and discuss their organisations experience of delivering services to different client groups affected by unemployment and are seeking specialist support in relation to limiting ill-health, addiction, mental health issues. Given the disparate membership and variable organisational attendance at quarterly meetings of the practitioners’ forum, it is unsurprising to find that forum has not produced or submitted detailed responses from an operational perspective to changing policy or labour market conditions.

Based on observation of the proceedings at the practitioners’ forum on the 27 February 2014, a number of themes were articulated by attendees:

- The limited inter-related services to meet the increased number of individuals with serious alcohol and drug problems that inhibit their progress towards sustained employment;
• The need for additional advice and support services for ‘vulnerable’ clients with personal barriers to employment e.g. more community rehabilitation services for unemployed with addiction problems;

• A number of presenting organisations took the opportunity to promote their own services to attendees and stating that they “could do more if our service received funding from the Council, Scottish Government”;

• There is a patchy knowledge of the full range of employability services and financial support available making it difficult for services, let alone clients or prospective employers to keep track of what services are available through the ‘Employability Pipeline’
4.0 Inverclyde Employability Service Providers

4.1 Introduction

As the first phase of the wider review of services that underpin the ‘Inverclyde Employability Pipeline’, MCRC undertook a mapping exercise to identify the current range of employability service providers’ that are delivering employability support and service activity in Inverclyde. An electronic survey was distributed to 40 organisations (statutory agencies, private and third sector organisations) identified from the Employability Partnership’s Practitioners’ Group, whose membership represented a range of employability related services in Inverclyde.

The short questionnaire comprised of twenty questions based around the following areas:

- Description of employability service(s) delivered by organisations;
- Which of the five stages in the ‘Inverclyde Employability Pipeline’ employability service providers’ focus upon;
- Range of service provision;
- Staffing levels;
- Geographic coverage;
- Target client groups;
- Outcome data for 2012-13 and anticipated outcome data for 2013-14;
- Sources of funding / contractual arrangements;
- Perceived employability support needs / gaps in service provision;
- Service providers’ views on the priorities for the future implementation of the ‘Inverclyde Employability Pipeline’

It was envisaged that the information collated from survey respondents would provide the Inverclyde Employability Partnership with an overview of the range employability services currently being delivered in Inverclyde. It was also envisaged that the survey would offer service providers’ the opportunity to highlight the perceived scale of future employability needs and to provide information that will contribute to the setting of future Inverclyde employability service priorities.

Despite extending the deadline and repeated requests to consultees for the return of completed questionnaires, only the 17 organisations listed below in Table 5.1 returned completed questionnaires.

A number of organisations stated that their organisations no longer received dedicated / direct funding for employability services and unfortunately declined the opportunity to contribute to the review of the Inverclyde Employability Pipeline. Amongst the organisations that declined the offer to contribute to the review, were statutory and voluntary sector organisations that were providing a range of services that could be seen as providing support/ assistance to individuals’ pathways to employment e.g. childcare, supported employment, support to clients with limiting illnesses / disabilities, support to clients with addiction issues and support to ex-offenders. Two major non-responding agencies were the DWP prime contractors Ingeus and Working Links that are contracted to deliver the DWP’s Work Programme in Inverclyde.

4.2 Inverclyde Employability Pipeline Service Coverage

The review identified several different models of employability support which provided direct routes for clients back into employment. These included general support such as job search to schemes which guaranteed people access to short term employment opportunities. For example, the Future Jobs Fund and Modern Apprenticeships have been key initiatives, providing subsidised employment within a range of organisations. To-date it has focused primarily on the public sector, reflecting the role the public sector plays as a major employer.
The architects of the Inverclyde Employability Pipeline recognize that an individual client is likely to need a mix of support through stages 1-5 of the Employability Pipeline. It is important that individual clients can access the full range of support required even though this may be provided through different organisations.

Table 4.1 below summarises the specific stages of the Inverclyde Employability Pipeline currently being delivered by survey respondents.

- Three organisations identified themselves as delivering services that cover all 5 stages (Enable Scotland, Inverclyde Community Development Trust, Scottish Association for Mental Health);
- Four organisations identified themselves as delivering services that cover stages 2 and 3 (Argyll Training Ltd, Moving On-Inverclyde, West College Scotland, Stepwell Consultancy Ltd);
- Two organisations (JobCentre Plus & Skills Development Scotland) identified themselves as delivering services that cover stages 2, 3 and 4;
- Two organisations (Inverclyde Council’s Education Service & Tomorrow’s People) identified themselves as delivering services that cover stages 1, 2 and 3;
- Inverclyde Council's CLD cover stages 1 and 3, Inverclyde Council’s Regeneration & Planning cover stages 1, 2, and 3;
- Financial Fitness cover stages 1, 2 and 5, Apex Scotland cover stage 2, BDA Ltd cover stage 4, and Inverclyde Advice & Employment Rights cover stage 5.

Table 4.1: Inverclyde Employability Pipeline - Service Providers

<table>
<thead>
<tr>
<th>Service Provider</th>
<th>Programme</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
<th>Stage 5</th>
<th>Target Client Group(s)</th>
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</thead>
<tbody>
<tr>
<td>Inverclyde Council - Community Learning &amp; Development</td>
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<td>JobCentre Plus</td>
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<td>Stage 1</td>
<td>Stage 2</td>
<td>Stage 3</td>
<td>Stage 4</td>
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<td><strong>Work Coaches</strong></td>
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<td>✓</td>
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<td><strong>BDA Ltd</strong></td>
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<td><strong>The Prince’s Trust Youth Business Scotland</strong></td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>Unemployed Under &lt; 24, Unemployed 25-64</td>
</tr>
<tr>
<td><strong>Moving On (Inverclyde)</strong></td>
<td>Substance Misuse Recovery Skills Service</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>Adults with addiction issues &amp; L T Unemployed</td>
</tr>
<tr>
<td><strong>Tomorrow’s People</strong></td>
<td>Working Out</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>Potential MCMC clients</td>
</tr>
<tr>
<td><strong>Service Provider</strong></td>
<td>Programme</td>
<td>Stage 1</td>
<td>Stage 2</td>
<td>Stage 3</td>
<td>Stage 4</td>
<td>Stage 5</td>
<td>Target Client Group(s)</td>
</tr>
<tr>
<td><strong>Scottish association for Mental Health</strong></td>
<td>Work Choice</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>Unemployed &lt;24, Unemployed 25-64, People with limiting ill-health, disabilities, mental health problems.</td>
</tr>
<tr>
<td><strong>Argyll Training Ltd</strong></td>
<td>Employability Fund Stages 2 &amp; 3</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>16-17 Stage 2, 16-18, 18-24, Stage 3</td>
</tr>
<tr>
<td><strong>Financial Fitness</strong></td>
<td>Financial Inclusion Services – Sub-Contract of ‘Inverclyde Works’</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>Adults aged 16-64</td>
</tr>
<tr>
<td><strong>Apex Scotland</strong></td>
<td>Employability Fund Stage 2</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>16-18 year olds</td>
</tr>
<tr>
<td>Organization</td>
<td>Program/Project Details</td>
<td>Clients</td>
<td>Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West College Scotland</td>
<td>SDS Modern Apprenticeships, SDS Employability Fund Stages 2 &amp; 3, SFC Scot Gap Security Programme, Aspire Programme</td>
<td>MCMC Clients, Unemployed &lt;24, Unemployed 25-64</td>
<td>People facing redundancy, on low wages, People with physical &amp; learning disabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enable Scotland</td>
<td>Inspiring Scotland Fund ‘Stepping Up Schools Transitions’ ‘Transitions to Employment’ @ West College Inverclyde Open Supported Employment</td>
<td>Unemployed &lt;24, Unemployed 25-64, People with limiting ill-health, disabilities, mental health problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stepwell Consultancy Ltd</td>
<td>Sub-Contract of ‘Inverclyde Works’ ‘Addressing Health Barriers to Employment’</td>
<td>MCMC Clients, Unemployed &lt;24, Unemployed 25-64, People with limiting ill-health, disabilities, addiction, mental health problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inverclyde Advice &amp; Employment Rights</td>
<td>Sub-Contractor of ‘Inverclyde Works’</td>
<td></td>
<td>16-64 year olds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Client Groups Targeted by Employability Service Providers

As indicated in Table 5.1 above, the current range of clients targeted by employability service providers appears to reflect the current Inverclyde JSA claimant profile. It is recognised that in line with the overall thrust of national employability policy and in addressing local needs, recent employability provision within Inverclyde has targeted a range of client groups, particularly young unemployed and those who face a range of barriers to entering employment.

However, based on consultations with stakeholders, employability service providers and service users, there appears to be less service provision specifically targeting people aged over 50, women, long-term unemployed, lone parents, people with addiction issues, people with a disability/mental health problem and other care groups.

### Young People Services (16-24 Years)

All survey respondents identified themselves as delivering employability services for young people aged under 24. However, within this service provision there is a strong focus upon those young adults who potentially are at risk of becoming part of the MCMC group. This strong focus on the young unemployed reflects the current national and local policy and funding priorities outlined in Section 2
above. In 2013-2014, the 10 organisations listed below were awarded contracts by SDS to deliver different stages of the Employability Fund programme:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>EF Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action for Children</td>
<td>18-24</td>
<td>16-17 &amp; 18-24</td>
<td>-</td>
</tr>
<tr>
<td>Apex Scotland</td>
<td>16-17</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Argyll Training Ltd</td>
<td>16-17</td>
<td>16-17 &amp; 18-24</td>
<td>-</td>
</tr>
<tr>
<td>Business Development Advisers Ltd</td>
<td>-</td>
<td>-</td>
<td>18-24 &amp; 25+</td>
</tr>
<tr>
<td>Doosan Power Systems</td>
<td>-</td>
<td>-</td>
<td>25+</td>
</tr>
<tr>
<td>Employment Enterprise Consultancy Ltd</td>
<td>-</td>
<td>-</td>
<td>18-24 &amp; 25+</td>
</tr>
<tr>
<td>GTG Training Ltd</td>
<td>-</td>
<td>-</td>
<td>18-24 &amp; 25+</td>
</tr>
<tr>
<td>Inverclyde Council</td>
<td>16-17</td>
<td>16-17</td>
<td>-</td>
</tr>
<tr>
<td>West College</td>
<td>-</td>
<td>16-17 &amp; 18-24</td>
<td>-</td>
</tr>
<tr>
<td>Street league</td>
<td>16-17 &amp; 18-24</td>
<td>16-17 &amp; 18-24</td>
<td>-</td>
</tr>
</tbody>
</table>

At March 2014, there was 505 JSA claimants aged 18-24, a decrease of 370 claimants between April 2012 and March 2014. 405 claimants were in receipt of JSA for less than 6 months, 60 claimants were in receipt of JSA for between 6 to 12 months and 40 claimants were in receipt of JSA for more than 12 months.

There appears to be concerns amongst consultees about the sustainability of the positive destinations achieved by school leavers in Inverclyde. Consultations with service providers and focus group participants suggest that there are ongoing issues relating to the progression of those young people most at risk of long term unemployment, those falling out of positive destinations after Activity Agreements and those young people not achieving an initial positive destination.

4.5 Outcomes Delivered By Employability Service Providers

Service providers were asked to submit anticipated outcome data for 2013-14. Table 4.2 below, summarises the range of activity outcomes that service provider respondents anticipate will be delivered in 2013-2014.

For the purpose of the review, a positive outcome was defined as a client moving into either full or part-time employment or full or part-time education. Other ‘incomes’ include volunteering, moving onto a work placement or a modern apprenticeship.

It should be noted that, with the exception of services contracted through the Inverclyde Integrated Employability Programme, the consultant was unable to verify the accuracy and robustness of the outcome data submitted by survey respondents. In contrast, the outcome data provided by the IIEG’s
contractors (Inverclyde Community Development Trust, Inverclyde Advice and Employment Rights and Stepwell Consultancy) was verified by analysing the contractors’ performance target data held on the Hanlon MIS and the quarterly monitoring reports submitted to Inverclyde Council.

As indicated Table 5.2 below, the anticipated outcomes delivered by the named employability service providers in 2013-2014 include:

- 5,787 clients were engaged by service providers;
- 699 clients entered into employment;
- 147 clients employed through the Future Jobs Fund
- 238 Modern Apprenticeships created
- 329 Employability Fund Placements
- 153 clients entered education or training;
- 639 clients obtained partial or full qualification;
- 404 clients have sustained employment for six months

(Note: Employability Fund Placement figure provided by Inverclyde Council, December 2013)

Table 5.2 Anticipated Positive Outcomes Delivered by Employability Service Providers 2013-2014

<table>
<thead>
<tr>
<th>Service Provider</th>
<th>No. of Clients Engaged</th>
<th>No. of Clients Assisted into Employment</th>
<th>No. of Clients Entering Education or Training</th>
<th>No. of Clients Obtaining Partial or Full Qualification</th>
<th>No. of Clients Sustaining Employment for 6 months</th>
<th>No. of Employers Engaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inverclyde Council - Community Learning &amp; Development</td>
<td>171</td>
<td>-</td>
<td>-</td>
<td>72</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inverclyde Council - Regeneration &amp; Planning</td>
<td>40</td>
<td>15</td>
<td>5</td>
<td>21</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>Inverclyde Council - Education Services</td>
<td>34</td>
<td>2</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>JobCentre Plus</td>
<td>No referral numbers recorded</td>
<td>116 – Work experience, 82 New Enterprise Allowance</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Skills Development Scotland *</td>
<td>2,167</td>
<td>169 MAs, 144 Emp Fund</td>
<td>169 MAs, Employability Fund -144</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Soft Outcomes Delivered by Employability Service Providers

Soft Outcomes are outcomes from training, support or guidance interventions, which unlike hard outcomes, such as qualifications and jobs, cannot be measured directly or tangibly. Soft outcomes may include achievements relating to:

<table>
<thead>
<tr>
<th>Service Provider</th>
<th>BDA Ltd</th>
<th>Financial Fitness</th>
<th>Apex Scotland</th>
<th>West College Scotland</th>
<th>Enable Scotland</th>
<th>Stepwell Consultancy</th>
<th>The Prince’s Trust Youth Business Scotland</th>
<th>Inverclyde Advice &amp; Employment Rights</th>
<th>Inverclyde Community Development Trust</th>
<th>Inverclyde CHCP</th>
<th>Moving On (Inverclyde)</th>
<th>Tomorrow’s People</th>
<th>Scottish Association for Mental Health</th>
<th>Argyll Training Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>42</td>
<td>60</td>
<td>100</td>
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<tr>
<td></td>
<td>1021</td>
<td>125</td>
<td>14</td>
<td>250</td>
<td>45</td>
<td>-</td>
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<td>2</td>
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<td></td>
<td>94</td>
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<td>13</td>
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<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7 MA’s</td>
<td>60</td>
<td>2</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>35</td>
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<td>-</td>
<td>-</td>
<td>35</td>
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<td>12</td>
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<td>8</td>
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<tr>
<td></td>
<td>670</td>
<td>-</td>
<td>-</td>
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<td>--</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>40</td>
<td>-</td>
<td>40</td>
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<tr>
<td></td>
<td>1062</td>
<td>370</td>
<td>27</td>
<td>114</td>
<td>268</td>
<td>123</td>
<td>7 MA’s</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>14</td>
<td>3</td>
<td>39</td>
</tr>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

4.6}
- Interpersonal skills, for example: social skills and coping with authority
- Organisational skills, such as: personal organisation, and the ability to order and prioritise
- Analytical skills, such as: the ability to exercise judgment, managing time or problem solving, and
- Personal skills, for example: insight, motivation, confidence, reliability and health awareness.

Table 4.2  Anticipated ‘Soft’ Outcomes Delivered by Employability Service Providers 2013-2014

<table>
<thead>
<tr>
<th>Service Provider</th>
<th>No. of Clients Engaged</th>
<th>No. of Clients Participating in Pre-Vocational Training</th>
<th>No. of Clients Completing ASDAN Employability Award</th>
<th>No. of Clients Completing Work Placements</th>
<th>No. of Clients Completing STEPS to Excellence / PX2 Programmes</th>
<th>No. of Clients Completing ‘ITAL’ Course</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inverclyde Council - Community Learning &amp; Development</td>
<td>171</td>
<td>150</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inverclyde Council - Regeneration &amp; Planning</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>40</td>
<td>8- PX2</td>
<td>-</td>
</tr>
<tr>
<td>Inverclyde Council - Education Services</td>
<td>34</td>
<td>-</td>
<td>-</td>
<td>26</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>JobCentre Plus</td>
<td>No referral numbers recorded</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Skills Development Scotland *</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
</tr>
<tr>
<td>BDA Ltd</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
</tr>
<tr>
<td>Financial Fitness</td>
<td>900</td>
<td>300</td>
<td>52</td>
<td>88</td>
<td>78 STEPS, 85 PX2</td>
<td>-</td>
</tr>
<tr>
<td>Apex Scotland</td>
<td>15</td>
<td>10</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>West College Scotland</td>
<td>94 + Aspire 126</td>
<td>94 + Aspire 126</td>
<td>-</td>
<td>30</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Enable Scotland</td>
<td>78</td>
<td>-</td>
<td>52</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Service Provider</td>
<td>No. of Clients Engaged</td>
<td>No. of Clients Participating in Pre-Vocational Training</td>
<td>No. of Clients Completing ASDAN Employability Award</td>
<td>No. of Clients Completing Work Placements</td>
<td>No. of Clients Completing STEPS to Excellence / PX2 Programmes</td>
<td>No. of Clients Completing 'ITAL' Course</td>
</tr>
<tr>
<td>------------------------------------------</td>
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<td>--------------------------------------------------------</td>
<td>-----------------------------------------------------</td>
<td>------------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Stepwell Consultancy</td>
<td>77</td>
<td>13</td>
<td>-</td>
<td>22</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>The Prince's Trust Youth Business Scotland</td>
<td>60</td>
<td>35</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inverclyde Advice &amp; Employment Rights</td>
<td>670</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Inverclyde Community Development Trust</td>
<td>1062</td>
<td>461</td>
<td>48</td>
<td>161</td>
<td>70-STEPS 80-PX2</td>
<td>-</td>
</tr>
<tr>
<td>Inverclyde CHCP</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
</tr>
<tr>
<td>Moving On (Inverclyde)</td>
<td>60</td>
<td>60</td>
<td>-</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Tomorrow's People</td>
<td>42</td>
<td>42</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scottish Association for Mental Health</td>
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<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
<td>No data available</td>
</tr>
<tr>
<td>Argyll Training Ltd</td>
<td>100</td>
<td>10</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

On the basis of consultations with service providers there is no evidence that common methodologies are used by service providers to assess clients' needs and to measure clients' progress in terms of 'soft' employability skills. Consequently, the information on 'soft' outcomes provided by survey respondents could not be validated and raised an underlying issue of service providers' assessment of clients' job readiness. Based on consultations with service users, service providers such as Ingeus or Working Links appear to be striving to accelerate clients' entry into employment without considering the full extent of clients' personal barriers to employment.
4.7 Inverclyde Integrated Employability Programme

As indicated in Section 2 above, since October 2008, the Inverclyde Alliance has overseen the delivery of the 'Inverclyde Integrated Employability Programme' that encompasses the stated objectives and outcomes of Inverclyde's Community Plan and Single Outcome Agreement. Past activities have included:

- The application of £1.56 M Future Jobs Fund (FJF) to employ 240 people over 18 months with jobs available in Environmental; Construction; Health & Leisure; Culture and Youth Services. Through the Future Job Fund programme, individuals received 6 months of work (paid above the minimum wage rate) and also the opportunity to acquire accredited training certificates/qualifications.
- The allocation of ESF and ERDF funding to develop existing Job Brokerage activity and the expansion of ‘Single Point of Contact’ (SPOC) model to deliver community benefits from construction projects.
- The awarding in January 2011, three distinct employability contracts under the theme “Inverclyde Works” to the Inverclyde Community Development Trust, Inverclyde Advice and Employment Rights and the Stepwell Consultancy.
- The main contract was awarded to the Trust to deliver ‘end-to-end’ employability services in Inverclyde. The commissioner ‘Inverclyde Council’ envisaged that the contracted services to be delivered would encompass the five stages of the Inverclyde Employability Skills Pipeline and when required clients would be referred to specialist services e.g. addiction, employment, health and financial advice services.

4.8 The Inverclyde Community Development Trust’s ‘End-to-End Employability Services’.

In October 2008, Inverclyde Council, on behalf of the Inverclyde Alliance awarded to £3.9m of Fairer Scotland Fund (FSF) to support the delivery of employability services to residents of Inverclyde. FSF contracts were awarded to a range of organisations to provide a broad range of services including: general employability support, childcare; support for young people; skills and learning; support with addiction and mental health issues; employment rights and financial advice. Collectively, the services awarded through FSF were intended to assist Inverclyde residents to move out of poverty and progress towards employment.

The FSF funded contracts ceased on the 31 March 2010. However, to ensure the continuity of employability services delivered in Inverclyde, Inverclyde Council provided £2.5m to support 11 employability and skills projects until 31 March 2011. New activity introduced at this stage included the delivery of the ‘Future Jobs Fund’ and employer engagement programmes to complement mainstream employability activity.

In December 2010, Inverclyde Council invited open tenders from contractors to provide an ‘end-to-end’ employability service for Inverclyde residents. The original contract value was approximately £2.3m for the financial year April 2011 – March 2012. Following a comprehensive open and competitive tendering process, the Inverclyde Community Development Trust was awarded a £2.3m contract to deliver the ‘end-to-end’ employability service specified by Inverclyde Council. Included in this contract, was the provision for a dedicated Employer Engagement Unit (EEU) funded through ERDF and ESF funding for the initial period April 2010 – March 2011. An additional two-year ESF funding application (April 2011 – March 2013) for the continued delivery of EEU services was subsequently secured by Inverclyde Council in late March 2011.

After subject to annual performance/contract review and the identification of ‘ring-fenced’ resources, Inverclyde Council has extended the contract for successive annual operational periods 2012-2013 and 2013-2014. At the time of the current review, Inverclyde Council has recently extended ICDT’s contract from April to September 2014.
The overall aim of the Trust's employability service is to remove barriers to employment experienced by individuals living in disadvantaged areas. Issues that limit access to jobs include:

- Detachment from the labour market
- Detachment from services aimed at improving employment prospects
- Lack of appropriate knowledge, skills and experience of work
- The recruitment practices of employers

In addition to delivering the hard targets prescribed by contractors, interviewees engaged in delivering the Trust's employability services also identified a range of broader aims, some of which are considerably less tangible. These include:

- Improving employability
- Raising skill levels
- Increasing clients’ aspirations, helping them to realise their potential and widening their horizons
- Addressing under-employment
- Increasing the numbers accessing education and training
- Raising awareness of employment opportunities
- Increasing household incomes through access to advice on welfare benefits
- Engaging employers and increasing their confidence in employing local people
- Developing the referral process to other services including support agencies to tackle social problems
- Building the local job and service provider networks and developing appropriate and effective partnerships e.g. 'Construction Plus', 'Single Point of Contact (SPOC)'
- Learning lessons for future service delivery

The Trust's employment engagement and job brokerage activities have specified targets, largely relating to the number of local residents accessing jobs. Within this, some breakdown of the type of residents finding work, in terms of economic status, ethnic group etc was also specified. Additional targets relate to the number of residents using the Trust's services and the sustainability of the jobs accessed. The targets set for the Trust's combined employability services also tie in with the wider objectives of the Inverclyde Alliance's Single Outcome Agreement headline outcomes of reducing unemployment and increasing wealth within their locality.
4.9 ‘Inverclyde Works’ Performance against Contractual Targets

Table 4.3 below provides a performance breakdown of the ‘Inverclyde Works’ contract initially awarded to Inverclyde Community Development Trust, Stepwell Consultancy and Inverclyde Advice & Employment Rights in April 2011. The ‘Inverclyde Works’ contracts were recently extended for a six month period from April 2014 to September 2014.

Table 4.3: ‘Inverclyde Works’ – Progress against Contractual Targets

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Summary of Activity</th>
<th>Contract Information</th>
<th>2013-2014 Contractual Targets</th>
<th>2013-2014 Targets Delivered</th>
<th>% on Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stepwell Consultancy</td>
<td>Supporting unemployed/inactive residents with a physical, mental, sensory or learning disability into sustainable employment by providing specialist health advise &amp; supported employment, job placement opportunities</td>
<td>No. of clients supported</td>
<td>30</td>
<td>77</td>
<td>256.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of clients referred from the end-to-end employability service</td>
<td>20</td>
<td>21</td>
<td>105.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of supported employment placements/job placements directly provided</td>
<td>10</td>
<td>13</td>
<td>130.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of clients with greater confidence to progress into work</td>
<td>30</td>
<td>65</td>
<td>216.7%</td>
</tr>
<tr>
<td>Inverclyde Advice &amp; Employment Rights</td>
<td>Delivers services relating to Employment Rights &amp; Work Related issues including specialist advice, advocacy &amp; guidance on employment rights, employment law, occupation health, workplace health &amp; safety</td>
<td>No. of clients supported</td>
<td>670</td>
<td>741</td>
<td>110.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of clients remaining in employment</td>
<td>500</td>
<td>569</td>
<td>113.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of job retention hearings attended</td>
<td>50</td>
<td>66</td>
<td>132.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of clients with greater awareness of their employment rights</td>
<td>670</td>
<td>741</td>
<td>110.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of clients with improved self esteem</td>
<td>300</td>
<td>741</td>
<td>247.0%</td>
</tr>
<tr>
<td>Inverclyde Community Development Trust</td>
<td>Provides an ‘end to end’ employability service including a range of activities to improve &amp; develop clients employability skills &amp; progression into employment. ICDT provide pre-vocational &amp; vocational training in a range of occupational sectors, employer engagement/job brokerage services &amp;</td>
<td>No. of unemployed/unwaged clients</td>
<td>405</td>
<td>399</td>
<td>98.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of clients gaining a partial/full qualification</td>
<td>432</td>
<td>370</td>
<td>85.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No. of clients progressing to employment</td>
<td>1,000</td>
<td>1,062</td>
<td>106.2%</td>
</tr>
</tbody>
</table>
Further analysis of monitoring reports provided by the ‘Inverclyde Community Development Trust indicated that in 2013-2014:

- 1,062 clients engaged with the Trust’s Employability Services (TES), >100% of the contractual target;
- 184 clients recently completing DWP Work Programme registered with TES, 304 clients gained a full qualification – 93.5% of the contract target;
- A total of 696 clients were assisted into employment across all programmes.
- 370 clients were assisted into employment, 86% of the anticipated number of clients entering into employment;
- 147 clients employed via Future Jobs, a 13% increase on the contract target;
- 7 Graduates secured Future Jobs places;
- 37 employers recruited employees through the Future Jobs Fund;
- 179 clients securing employment resulting from EEP activities, a 5% increase on the contractual target
- 1,021 clients supported to address financial barriers, a 70.2% increase on the contractual target;
- 171 clients supported to improve literacy & numeracy skills, a 15% increase on the contractual target.
4.10 Funding of Employability Services 2013-2014

Table 4.4 below provides an estimated financial breakdown of key employability services delivered in 2013-2014. Unfortunately, only the three service providers contracted by Inverclyde Council provided financial information. Consequently, the consultant was unable to undertake the process of determining how much individual service’s costs per participant.

Table 4.4: Estimated Funding of Employability Services 2013-2014

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>Total Amount</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employability Fund</td>
<td>No data provided</td>
<td>Awarded to 10 service providers</td>
</tr>
<tr>
<td>DWP Work Programme</td>
<td>No data provided</td>
<td>Prime contractors did not provide information / respond to enquiries</td>
</tr>
<tr>
<td>Inverclyde Council “Inverclyde Works”</td>
<td>£2,218,398</td>
<td>ICDT Employability Stages 1-3 &amp; 5. £1,176,504</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Job Brokerage (Stage 4) £285,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Future Jobs £614,894</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial Fitness £92,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inverclyde Council – CLD £50,000</td>
</tr>
<tr>
<td>Inverclyde Council “Inverclyde Works”</td>
<td>£97,500</td>
<td>Stepwell Consultancy</td>
</tr>
<tr>
<td>Inverclyde Council “Inverclyde Works”</td>
<td>£59,500</td>
<td>Inverclyde Advice &amp; Employment Rights</td>
</tr>
<tr>
<td>Inverclyde Council Modern Apprenticeship</td>
<td>£400,000</td>
<td>Inverclyde Council £300,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coastal Communities £100,000</td>
</tr>
<tr>
<td>European Social Fund</td>
<td>£308,075</td>
<td></td>
</tr>
<tr>
<td>European Regional Development Fund</td>
<td>£143,437</td>
<td></td>
</tr>
<tr>
<td>SDS Modern Apprenticeship</td>
<td>Not Known</td>
<td></td>
</tr>
<tr>
<td>JobCentre Plus</td>
<td>Not Known</td>
<td></td>
</tr>
</tbody>
</table>
Implications for Inverclyde Employability Partnership

The current range of clients targeted by employability service providers appears to reflect the current Inverclyde JSA claimant profile.

The Inverclyde Integrated Employability Programme is heavily reliant on the three contractors commissioned under ‘Inverclyde Works’. Overall, Inverclyde Community Development Trust, Stepwell Consultancy and Inverclyde Advice & Employment Rights are meeting the targets set by Inverclyde Council.

It is recognised that in line with the overall thrust of national employability policy and in addressing local needs, recent employability provision within Inverclyde has targeted a range of client groups, particularly young unemployed. However, based on consultations with stakeholders, employability service providers and service users, there appears to be less service provision specifically targeting people aged over 50, women, long-term unemployed, lone parents, people with addiction issues, people with a disability/mental health problem and other care groups.

Young People Services (16-24 Years)

All survey respondents identified themselves as delivering employability services for young people aged under 24. However, within this service provision there is a strong focus upon those young adults who potentially are at risk of becoming part of the MCMC group. This strong focus on the young unemployed reflects the current national and local policy and funding priorities outlined in Section 2 above.

A number of Employability Fund contractors have identified a service gap for young people aged 16-17 who have completed the ‘Certificate of Work Readiness’ but unable to find employment and potentially “languishing” until they are 18 and can access JobCentre Plus services. Contractors suggested that some form of targeted intervention by service providers should be developed to engage this age cohort to ensure they do not “regress” and “become disaffected”.

Adult Services

At present, there is a number of service providers delivering employability services to individuals aged 25-64 that are long-term unemployed, individuals facing redundancy, newly unemployed, individuals with poor terms and conditions of employment, individuals with significant health or other barriers to employment.

In September 2013, COSLA estimated that approximately 80% of national employability resources, excluding the DWP Work Programme, were currently aimed at young people. However, this approach may provide insufficient financial and operational scope to meet the increasing demand for employability support from older job seekers, IB/ESA and DLA claimants that are re-assessed as ‘fit to work’, those workless households affected by the introduction of ‘Universal Credit and the increasing number of unemployed who have either been ‘parked’ by Work Programme prime contractors or JSA claimants that have completed their participation in the DWP Work Programme.
5.0 Delivery of Inverclyde Employability Pipeline – Views of Consultees

5.1 Introduction

This section of the report summarises the views expressed by consultees involved in the development of the Inverclyde Employability Pipeline (IEP) and the delivery of main services that underpin the Inverclyde Employability Pipeline (IEP). One-to-one interviews were undertaken with key members of the IEP’s Strategic Employability Group, the Employers Engagement Group and with a number of employability service providers’ staff. Appendix 1 provides the list of consultees interviewed. In addition to the views expressed by consultees, the summary below also includes pertinent comments submitted electronically by service providers named in Section 4.4.

The consultations focused on the identification of the strengths and weaknesses of the current employability model, areas for service improvement, service gaps and priorities for addressing ongoing ‘employability’ and ‘worklessness’ challenges facing Inverclyde.

Understanding of the role of the Inverclyde Employability Partnership

The majority of consultees viewed the role of the IEP as to oversee the co-ordination and integration of employability services being developed in Inverclyde to support people into employment. A few consultees viewed the IEP more narrowly as the partnership structure established by the Inverclyde Alliance to ensure that partner organisations services are aligned to the employability outcome targets set in the Inverclyde SOA. The main partners comprising the Inverclyde Employability Partnership identified by consultees were Inverclyde Council, Inverclyde CHCP, Inverclyde Community Development Trust, JobCentre Plus, Inverclyde Chamber of Commerce, Skills Development Scotland and West College (formerly James Watt College).

When asked about their organizations involvement in the development of the employability pipeline, only a few original members of the Strategic Employability Group and the Employer Engagement Group stated that they were actively involved in the development of the Inverclyde Employability Partnership. Other consultees with late membership of both partnership groups felt that Inverclyde Council had dominated the employability agenda and drove the design and the delivery of the Inverclyde Integrated Employability Programme.

Understanding of the Inverclyde Employability Pipeline

Consultees understanding of the main function of the Inverclyde Employability Pipeline was to provide an overarching framework and coherence to services developed to tackle worklessness in Inverclyde.

The majority of consultees were conversant with the integrated approach to employability being promoted by the Inverclyde Alliance. They understood the five key stages which an individual may travel towards sustainable employment. However, a number of consultees were unable to identify service providers for specific stages in the employability pipeline. This apparent lack of awareness of the service provision underpinning the delivery of the employability pipeline was also echoed by a number of survey respondents including Inverclyde Council’s Education Department, SAMH and the Prince’s Trust Youth Business.

A number of senior consultees felt that employability pipeline ‘concept’ has encouraged service providers to view their services as contributing to an integrated portfolio of employability services. However other consultees, particularly delivery organisations, felt that it was overstating the level of integration of employability services that had occurred given the varied national, local policies and funding programmes that prescribe service specifications and outcome targets.
Balance of Employability Service Provision

Consultees and survey respondents were asked if the current level and mix of service provision was appropriate to ensure services are effective in delivering the five stages of the employability pipeline. Consultees and survey respondents were also asked which of the five stages they viewed as the main priorities for tackling future worklessness in Inverclyde.

The majority of consultees felt that there were gaps in service provision and many recognized the growing need on the back of the success of the application of Future Jobs Fund there is a need to directly create employment opportunities. This observation mirrored survey respondents and service users views that despite a fall in unemployment, there continues to be a lack of jobs, particularly a lack of low-entry occupations in Inverclyde. The majority of consultees recognise that continued emphasis should be given to stage 2 and stage 3 of the employability pipeline given changing labour market conditions and the cumulative impacts of welfare reform.

Consultees were asked which current employability services were effective. The majority of consultees acknowledged that it was difficult to talk about services outwith their immediate operational service domain and were more inclined to talk up their own organisation’s employability activities/services. A number of senior consultees felt that they were relatively well informed about progress against headline targets at meetings of either the Strategic Employability Group or the Inverclyde Alliance. Inverclyde Works’ contractors suggested that other service providers should access and input performance data into the Hanlon management information system to assist the IEP monitor and review progress of service provision.

Inverclyde Employability Partnership Infrastructure

There is now considerable evidence to indicate the importance of effective partnership working to delivering services aimed at tackling worklessness at both national and local levels. Given the degree of ‘institutional fragmentation’ at the local level, it is recognised by consultees that the establishment of the Inverclyde Employability Partnership has assisted some partner organisations develop and maintain productive, effective working relationships with agencies and organisations at both strategic and operational levels.

The majority of consultees felt that both the Strategic Employability Group and the Employer Engagement Group had become forums for membership organisations to present information on their individual services and digest information on new funding streams, organisational restructuring and changes to organisational representation at these groups.

Gaps in Service Provision

Service users consulted indicated that they felt that there was limited supported to women returners, unemployed over 50s, long term (1 year plus) claimants, ex-DWP Work Programme participants, ex-offenders and those ESA claimants identified as ‘fit for work’. There are number of possible reasons for this perception: the targeting of these clients has been poor; the services on offer do not appeal to these client groups or simply that these individuals are not currently actively trying to move into employment. Service providers need to consider how they can improve the quality, attractiveness and relevance of the services it offers for these clients.

Future Service Priorities

Given the changing labour market, policy and funding context, interviewees and survey respondents were asked to identify the employability service that should be prioritized and development beyond September 2014. Consultees and survey respondents suggested providing services to:
- Individuals affected by benefit re-assessment e.g. IB /ESA claimants deemed ‘fit to work’ and future shift towards Universal Credit will result in more individuals seeking employment;

- The ‘newly long term unemployed’ – i.e. those that lost their jobs during the recession and have quickly become part of the long-term unemployed;

- Over 50’s at risk of becoming long-term unemployed;

- Lone Parents and Women ‘returners’;

- Former DWP Work Programme participants who have not been supported into positive job outcomes by prime contracts;

- 18-19 year olds at risk of becoming part of the MCMC group;

- Individuals with significant health or other barriers e.g. those engaged with mental health services, those engaged in the criminal justice system, those with addiction issues.
6.0 Service Users’ Assessment of Employability Service Provision.

6.1 Introduction

This section of the report provides feedback on the delivery and impact of employability services provided within Inverclyde from the perspective of current service users’. Qualitative information was collated from different research methods.

6.2 Service Users’ Postal Survey

A service users’ postal survey of current clients registered on the Hanlon MIS was undertaken in late March 2014. The survey using a guided self-completion questionnaire was distributed to 200 service users’ drawn from a random sample of ‘live’ clients extracted from the Hanlon MIS client database. A total of 73 completed questionnaires were returned by the submission deadline of 28 March 2014 and provided a response rate of 36.5 % from past and current clients registered on the Hanlon MIS.

In addition to providing client feedback on their awareness and use of the services provided by employability service providers, the service users’ survey also provided the consultant with information on: current employment status; employment aspirations; job search and sources of information and guidance used; types of courses / training undertaken; knowledge of job opportunities; perceived barriers to employment; overall impressions of the services delivered by employability service providers; and what improvements could be made to the delivery of employability services. The key findings from the responses to service users’ survey are summarised below.

6.3 Characteristics of Survey Respondents

Table 6.1: Age & Gender of Survey Respondents

<table>
<thead>
<tr>
<th></th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-49</th>
<th>50-54</th>
<th>55-59</th>
<th>60+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>14</td>
<td>8</td>
<td>7</td>
<td>5</td>
<td>10</td>
<td>5</td>
<td>4</td>
<td>55</td>
</tr>
<tr>
<td>Female</td>
<td>6</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Total No of Respondents</td>
<td>20</td>
<td>8</td>
<td>10</td>
<td>10</td>
<td>14</td>
<td>7</td>
<td>4</td>
<td>73</td>
</tr>
</tbody>
</table>

The above table indicated that 75.3 % of survey respondents were male and 24.7% of survey respondents were female.

27.4% of all survey respondents were aged under 24, 38.4% of all survey respondents were aged between 25-49 years of age and 34.2% of all survey respondents were aged between 50-64 years of age. 25.4% of male respondents and 33.3% female respondents were aged under 24, 34.5% of male respondents and 33.3% of female respondents were over 50 years of age.

6.4 Employment Background of Survey Respondents

Table 6.2 provides a breakdown of the current employment status of survey respondents. Only 4.1% of survey respondents were currently employed. 28.8% of survey respondents were registered unemployed for less than 6 months, 19.2% of survey respondents were registered unemployed between 7-12 months, 12.3% of survey respondents were registered unemployed between 13-24 months, 4.1% of survey respondents were registered unemployed between 25-36 months and 32.9% of survey respondents were unemployed for over 3 years. On closer examination of survey responses, 19.2% of respondents aged over 50 had been unemployed for
over 3 years, 4.1% of respondents had been in receipt of Income Capacity benefit for over 3 years.

Table 6.2: Current Employment Status of Respondents

<table>
<thead>
<tr>
<th>Status</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-49</th>
<th>50-54</th>
<th>55-59</th>
<th>60+</th>
<th>Total</th>
<th>% of Survey Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>4.1</td>
</tr>
<tr>
<td>JSA &lt; 6 months</td>
<td>16</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>21</td>
<td>28.8</td>
</tr>
<tr>
<td>JSA 7-12 months</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td>19.2</td>
</tr>
<tr>
<td>JSA 13-24 months</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>12.3</td>
</tr>
<tr>
<td>JSA 25-36 months</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>3</td>
<td>4.1</td>
</tr>
<tr>
<td>JSA Over 3 Years</td>
<td>-</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>18</td>
<td>26.0</td>
</tr>
<tr>
<td>IB Over 3 Years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>4.1</td>
</tr>
<tr>
<td>DLA Over 3 Years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2.7</td>
</tr>
</tbody>
</table>

Table 7.3 below provides a breakdown of the most recent occupations of survey respondents. The employment patterns of survey respondents indicate that the majority of respondents’ previous jobs were in low-entry occupations with little or no demand as highlighted in Section 3.8 above.

Table 6.3: Previous Employment of Survey Respondents

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labourer in Construction Trades</td>
<td>9</td>
</tr>
<tr>
<td>Future Jobs Programme</td>
<td>8</td>
</tr>
<tr>
<td>Sales &amp; Retail Assistant</td>
<td>7</td>
</tr>
<tr>
<td>Goods Handling &amp; Storage</td>
<td>6</td>
</tr>
<tr>
<td>Security Guard</td>
<td>6</td>
</tr>
<tr>
<td>Cleaner</td>
<td>5</td>
</tr>
<tr>
<td>Care Assistant</td>
<td>5</td>
</tr>
<tr>
<td>Paid Work Experience</td>
<td>5</td>
</tr>
<tr>
<td>Kitchen &amp; Catering Assistant</td>
<td>3</td>
</tr>
<tr>
<td>General Office Assistant</td>
<td>3</td>
</tr>
<tr>
<td>Driver</td>
<td>2</td>
</tr>
<tr>
<td>Call Centre Operator</td>
<td>2</td>
</tr>
<tr>
<td>Customer Service</td>
<td>2</td>
</tr>
<tr>
<td>Apprentice - Joiner</td>
<td>2</td>
</tr>
<tr>
<td>Car Repair</td>
<td>2</td>
</tr>
<tr>
<td>Hospitality / Bar work</td>
<td>2</td>
</tr>
<tr>
<td>Funeral Operative</td>
<td>1</td>
</tr>
<tr>
<td>Shipwright</td>
<td>1</td>
</tr>
<tr>
<td>Tyre Fitter</td>
<td>1</td>
</tr>
<tr>
<td>Groundwork/Landscaping</td>
<td>1</td>
</tr>
</tbody>
</table>

The reasons given by survey respondents for leaving their last jobs included: temporary job/ work experience (35 survey respondents); redundancy (23 survey respondents); domestic / personal reasons (9 survey respondents); offered better job (1 survey respondent); ‘unhappy with job’ (3 survey respondents) terms and conditions / low-pay (2 survey respondents);
For the 23 survey respondents who indicated that they had been employed on temporary contracts, the majority of survey respondents had been employed in retail distribution (Amazon), sales and customer services (TSC Sky, CSA) and construction (Lovell).

Job Aspirations of Survey Respondents

In terms of survey respondents’ future job aspirations, respondents identified the following sought occupations in descending order:

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of Survey respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Care Assistants</td>
<td>12</td>
</tr>
<tr>
<td>Sales &amp; Retail Assistants</td>
<td>10</td>
</tr>
<tr>
<td>Labourer in Construction Trades</td>
<td>8</td>
</tr>
<tr>
<td>Anything</td>
<td>7</td>
</tr>
<tr>
<td>Administration / General Office Assistants</td>
<td>6</td>
</tr>
<tr>
<td>Childcare Staff</td>
<td>5</td>
</tr>
<tr>
<td>Customer Care/ Call Centre Staff</td>
<td>5</td>
</tr>
<tr>
<td>Groundwork/Landscaping</td>
<td>5</td>
</tr>
<tr>
<td>Goods Handling &amp; Storage</td>
<td>4</td>
</tr>
<tr>
<td>Cleaners/Domestics</td>
<td>3</td>
</tr>
<tr>
<td>Apprentice Joiner*</td>
<td>2</td>
</tr>
<tr>
<td>Hospitality / Bar Work</td>
<td>2</td>
</tr>
<tr>
<td>Driver</td>
<td>2</td>
</tr>
<tr>
<td>Deckhand</td>
<td>1</td>
</tr>
<tr>
<td>Film Production</td>
<td>1</td>
</tr>
</tbody>
</table>

* 2 Survey Respondents were made redundant two-years into their apprenticeship with Lovell Construction

The survey respondents’ job aspirations at first appear to reflect a lack of respondents’ appreciation of the limited number of vacancies currently available in their preferred low-entry, low-pay occupations. 7 survey respondents indicated that they sought any type of employment that helped them return to work.

Notwithstanding, survey respondents’ apparent lack of appreciation of the low demand for their preferred jobs, survey responses did highlight a number of key issues respondents feel prevents them from securing and sustaining employment:

- Lack of available local (low-entry) jobs;
- Only temporary or low paid jobs available;
- Zero hour contracts;
- Lack of in-work progression and employee development;
- No available jobs that respondents are qualified for / skilled to secure;
- Work experience is limited or gained in occupations with no current vacancies;
- Ageism (“Over 50 and over the hill” survey respondent);
- Skills / relevant training requires up-dating;
- Availability and cost of public transport to access job opportunities across the wider Travel-to-Work area.

6.5 Reasons for Registering with the Trust Employability Services

The consultant was interested in identifying the main reasons for clients to register with the Trust Employability Services. The 73 survey respondents ranked in descending order the following reasons for registering with the Trust Employability Services:
The consultant was interested to assess how clients initially found out about the services provided by the Trust's Employability Services. The following table 6.4 indicates how survey respondents found out about services and indicates the main marketing/referral methods identified by survey respondents.

**Table 6.4: How did you find out about the services provided by the Trust Employability Services?**

<table>
<thead>
<tr>
<th>Sources of Information / Referral</th>
<th>Number of survey respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth (friend, family, neighbor and work colleague)</td>
<td>14</td>
</tr>
<tr>
<td>Advertising (local paper, radio, community newsletter, leaflet, poster)</td>
<td>1</td>
</tr>
<tr>
<td>Jobcentre Plus / Jobcentre Plus Adviser</td>
<td>51</td>
</tr>
<tr>
<td>Ingeus Adviser</td>
<td>4</td>
</tr>
<tr>
<td>Working Links Adviser</td>
<td>-</td>
</tr>
<tr>
<td>Inverclyde Council (Education &amp; Social Work Departments)</td>
<td>-</td>
</tr>
<tr>
<td>Health Centre/NHS Staff</td>
<td>-</td>
</tr>
<tr>
<td>Others Agencies (West College)</td>
<td>3</td>
</tr>
</tbody>
</table>

Approximately 70% of survey respondents identified Jobcentre Plus as the source of referral to the Trust Employability Services. The number of referrals from Jobcentre Plus to the Trust Employability Services indicates that effective working relationships have developed between both organisations' operational staff.

It is interesting to note that over 19% of respondents found out about the services provided by the Trust Employability Services through word of mouth or recommendation from friends or relations. This would indicate that those people making the recommendation were satisfied with the services on offer. 11% of survey respondents indicated they had found out about the Trust's Employability Services from 'other agencies' including the prime contractor ‘Ingeus’ and West College.

6.6 Other Employability Services Used by Survey Respondents.

At the time of registering with the Trust Employability Services, survey respondents indicated that they were also searching for work through a variety of agencies and mediums. 57 survey
respondents cited the continued use of the local Jobcentre, 4 survey respondents cited the use of local work clubs, 3 survey respondents cited the continued use of Ingeus and 1 survey respondent cited the continued use of Working Links.

The survey questionnaire did not probe into why service users had contacted Trust Employability Services in addition to or opposed to other statutory and non-statutory employability agencies. However, focus group participants cited their previous experiences of seeking help from other employability agencies was mixed. Some agency staff were seen as helpful, but overall focus groups participants viewed other employability agencies' staff as:

- Judgmental with ‘better than them’ attitudes;
- Impersonal- “treated like a number”;
- Lacking in relevant knowledge and offering contradictory advice;
- Unapologetic and refusing to admit to errors;
- Demonstrating little sense of customer care.

Some focus group participants, particularly ex-DWP Work Programme participants felt that the prime contractors’ staff working on the front desk were young and inexperienced doing “the jobs no-one wanted”’ and they “lost interest in you if you didn’t seem to be easily placed in work”.

Despite the majority of survey respondents indicating that they were currently unemployed, the majority of survey respondents were positive about the quality of the advice, support and training courses provided by Trust Employability Services. The quotations below extracted from survey responses illustrate that service users (albeit a small cross-section of current registered clients) were very satisfied with the services provided by the Trust Employability Services.

“The Trust employment advisers have helped my confidence to get back into work”

“Non-judgmental very different from my experience with the Jobcentre and Ingeus”

“Staff are very professional, understanding and very helpful as I was really distressed at getting made redundant....top marks”

“Knew the type of work I was looking for and gave me the opportunity to apply for suitable positions”

“Anything you need they will try and help you in any way they can”

“The staff are working under difficult local circumstances .... there are few job opportunities”

6.7 Client Focus Groups

To corroborate the findings retrieved from the service users’ survey, the consultant undertook three focus groups with clients drawn from survey respondents to reflect three distinct client groups: young people completing work experience/ vocational training with the Trust; a mixed-aged group undertaking a ‘STEPS’ to Excellence Course delivered by Trust staff and a group of ex-DWP Work Programme participants. The main aim of the focus group discussions was to gain a further insight into the quality of services provided by the Trust and their experience with other employability service providers.

30 survey respondents were invited to participate in the focus group discussions and subsequently 24 service users attended the three focus group discussions. Two focus groups were held on the
19 March 2014 in Port Glasgow Business & Training Centre and one focus group was held on the 28 March 2014 in the Westbourne Centre, Greenock.

Of the 24 focus group participants, 16 participants had been referred to the Trust Employability Services by Jobcentre Plus, 2 participants had been referred from Ingeus and 6 were made aware of the employability service from word-of-mouth recommendations from family or friends. Of the 24 focus group attendees, 10 attendees had recently completed a two-year participation in the DWP Work Programme, 8 attendees were drawn from a sample of ‘Transitions to Work’ and ‘Progressions’ 13 week employment programmes for young unemployed and 4 attendees were participating in the ‘STEPS to Excellence’ programme. These programmes were delivered by the Trust’s training staff and personal development tutors.

Focus group participants were made aware of the overall aims of the review and the need for the consultant to gain an insight into the quality of services provided by Trust Employability Services and other employability service providers. It was emphasised to participants that all comments and information provided would not be attributed to named participants and would remain confidential.

The following sub-sections attempt to synthesize the views expressed by focus group participants.

6.8 Employability Services Accessed by Clients

Focus group participants were asked why they had registered with the Trust’s Employability Service and which specific services they were offered or had made use of since their registration. A range of responses were provided by participants in relation to the reasons for their registration with the Trust’s Employability Services, however they can be categorized, in descending order, as:

- Help with looking for job vacancies
- Advice and assistance
- Help with completing job applications and revising CVs to fit job vacancies
- Access to employment opportunities
- Access to training opportunities
- Work placements/work trials

Whilst help with looking for job vacancies was the reason most cited for registering with the Trust’s Employability Service, ongoing advice, assistance, personal contact and encouragement from Trust staff to service users’ was considered by focus group participants as invaluable to their pursuit of employment and training opportunities.

Almost all of the former DWP Work Programme participants agreed that the personal support provided by Trust staff was very useful in terms of one-to-one drop-in support or through the twice weekly Work Club bases in the Nicholson Street premises. Older focus group participants who had either previously been in long-term employment or had worked for a range of employers, commented that staff assistance with updating CVs and assistance with internet based job searches were particularly useful.

The younger focus group attendees were very positive about participating in the ‘Pathways to Extreme Success (PX2) the 12 step personal development programme for young people aged 14-19 years. The PX2 programme is designed to help young people understand how their minds work, in terms of self-beliefs and attitudes, and how this influences their future. The focus group participants were asked in what ways they thought the application of PX2 concepts might help.
Responses included: finding them a job; thinking more positively about things; assisting them to focus their attention more; increasing their motivation; increasing their confidence and self-esteem; improving their social lives and relationships; and making their subconscious become conscious.

Focus group participants were asked what they liked about the PX2 programme. Three main themes emerged from the facilitated group discussion namely: course delivery; course content; and impact on participants. The participants felt that the course delivery was something that worked well as it encouraged team work and engagement of all participants (landscaping/joinery participants). The course pace and length (2 days per week over the 13 week period) was felt to be long enough. Younger focus group participants commented that the support from Trust staff had helped to build their self-confidence in terms of presenting themselves for job interviews and the confidence to self-pursue employment opportunities.

The focus group participants who had completed the ‘STEPS to Excellence’ and the ‘PX2’ programmes felt that the programme tutors/facilitators provided good motivation which matched the constructive support provided by craft instructors.

Overall the range of Trust’s employability services accessed by the focus group participants was seen as very useful. The ongoing support given by Trust staff was seen by focus group participants as not only improving self-confidence in service users’ job search but potentially offered a mechanism that re-connected service users’ with employment opportunities.

6.9 Rating of services provided by the Trust Employability Services

From their personal experience, all focus group participants were satisfied with the range of services provided by the Trust and were satisfied with the direction of their ongoing engagement with the Trust’s employability services.

The quotations below from focus group participants illustrate that service users’ (albeit a small cross-section of current registered clients) were very satisfied with the services provided by the Trust Employability Services.

“Staff work in difficult circumstances but remain professional throughout.” “The staff are very knowledgeable.”

“The one-to-one advice offered at the Work Club was very important in building my confidence.”

“The Jobcentre would be better if it was run by the Trust.”

“Work trials can help you decide about an employer as well as them deciding about you. One job I thoughtI could do I couldn’t and it saved me wasting my time and theirs.”

“The call centre training was very thorough.” “The staff are always very welcoming.”

6.10 Comparable Employability Services Operating in Inverclyde

Similar and related employability services exist in Inverclyde and several focus group participants indicated that they had engaged with a number of these services. The main comparable employability services that were commented upon were JobCentre Plus, Ingeus, Working Links and Skills Development Scotland.

Focus group participants cited their previous experiences of seeking help from other employability agencies as mixed. Some agency staff were seen as helpful (JobCentre Plus and SDS), but for the majority of former DWP Work Programme participants, prime contractors staff were viewed as:
• Judgemental with ‘better than them’ attitudes; Impersonal (“treated like a number”);

• Initial enthusiasm towards clients dissipated over time when no job opportunities / placements materialized (“lost interest in you if you didn’t seem to be easily placed in work”);

• Demonstrating little sense of customer care “.

The majority of former DWP Work Programme participants felt that prime contractor staff working on the front desk were doing “the jobs no-one wanted”, resulting in front-line staff being viewed as young and inexperienced. A few older focus group participants indicated that they did not like discussing complex personal matters with someone they felt was a lot younger than them.

In contrast to statutory employability agencies, focus group participants stated that the Trust staff were “empathetic”, “friendly”, “non-judgmental” and “professional” in their relationship with service users. The staff’s “considered” approach to service users was seen by focus group participants as very important to the building of trust and ‘open’ productive relationship between the staff and service users.

The older focus group participants expressed concern over the recruitment practices of the private sector recruitment agencies commissioned to fill job vacancies (often at short-notice for unemployed candidates) for large employers. There were also concerns raised by focus group participants over the “unethical practices” of the private sector recruitment agencies which allowed global employers to distance themselves from the recruitment and retention of employees. Focus group participants echoed similar views to survey respondents’ in terms of barriers to their securing and sustaining employment:

• Lack of available local (low-entry) jobs;
• Only temporary or low paid jobs available;
• Zero hour contracts;
• Experience of in-work poverty;
• Lack of in-work progression and employee development
• No available jobs that respondents are qualified for / skilled to secure;
• Work experience is limited or gained in occupations with no current vacancies;
• Ageism (“Over 50 and over the hill” survey respondent)
• Skills / relevant training requires up-dating;
• Availability and cost of public transport to access job opportunities across the wider Travel-to-Work area.
**Implications for Inverclyde Employability Partnership**

The employment patterns of survey respondents indicate that the majority of respondents' previous jobs were in low-entry occupations with little or no demand as highlighted in Section 3.8 above.

Moreover, given the scale of low-pay evident in Inverclyde, the challenge on the supply side is not simply moving people into work, but supporting them to progress in work and to increase their income. Progression could mean helping an individual move into a better job (with the same employer or a different one) with better pay or, where possible, to increase hours of employment. Currently, the Work Programme is focused on moving people into work quickly and sustaining employment. However, a stronger focus on progression in work would help turn dead-end jobs into stepping stones and help people move out the benefits system.

Recent research suggests that the financial incentives attached to job outcomes results, means that Work Programme providers such as Ingeus and Working Links gear their advice / support towards sustaining employment, rather than progression. Research also suggests advice on its own is not effective in work progression. The evidence appears to support ensuring people are placed in jobs that they are suited to, combined with advice, training and financial incentives to sustain employment and progression.

Moving the system towards progression will also require employers to take a serious interest in progressing their low-paid employees, unfortunately few employers locally appear to offer training to those in elementary occupations. Based on previous research with skills providers, employers need to be willing to receive support and undertaking training. Focus group participants highlighted that for low entry / low-paid workers the cost of training and domestic / time commitments were major factors affecting their decision on whether to undertaking qualifications/ further training.

Whilst low-paid staff need to be willing to undertake training, there must be jobs available for staff to progress into. The role of employers is critical through their demand for skills.

There is an ongoing need for Inverclyde Council & SDS Business Development teams and ICDT to engage with SME’s and larger companies to promote the mutual benefits of after-care and training resources available to employers.
7.0 Limitations of Research and Key Issues

7.1 Introduction

This section of the report highlights a number of factors that have limited the robustness of the research and also identifies a number of key issues that require to be addressed by the Employer Engagement Sub-Group in terms of the ongoing development of IIEP employer engagement and job brokerage activities in Inverclyde.

7.2 Limitations of the Research

Due to the lack of accessible and robust data from other mainstream and non-statutory employability providers operating in Inverclyde, it has not been possible to undertake a comprehensive quantitative assessment and comparison of services provided by the range of employability service providers. The limitations of the research in respect of comparing the services delivered through ‘Inverclyde Works’ with other employability service providers has been compounded by the following factors:

- No detailed information was obtained from the two DWP Work Programme prime contractors Ingeus and Working Links in terms of client referrals’, outcome data, etc. To assess and compare the services provided by the prime contractors with other statutory and non-statutory employability service providers, it would be necessary to obtain comprehensive and detailed performance data;
- No detailed financial information was provided by employability service providers which would assist the consultant make a comparison of value for money of individual service activities/interventions;
- In terms of the wider labour market, the impact of the ‘Inverclyde Works’ range of employability services is small in impact assessment. This is because registered clients form only a small proportion of the total number of ‘unemployed / economically inactive’ individuals residing in the Inverclyde area. The success of services delivered through ‘Inverclyde Works’ in moving individuals closer or to employment opportunities can be seen to be lost therefore in the ‘noise’ of normal labour market;
- The design of the ‘Inverclyde Works’ employability services focuses on all unemployed people in Inverclyde that are subject to a diverse range of area-based and target-group based initiatives, ruled out a more rigorous approach to assessing deadweight. There is no reasonable robust method of constructing a counterfactual scenario involving matched areas of individuals. Comparison with historical trends was also ruled out, because accessible data on many of the targeted individuals is not available from mainstream and non-statutory service providers;
- Without robust validation mechanisms there are difficulties in attributing positive employment outcomes for all employability service providers who submitted survey responses. Whilst ‘Inverclyde Council’s Education (MCMC) and SDS share inter-agency data on school leavers destinations etc, only the three ‘Inverclyde Works’ contractors input client data into the Hanlon MIS to monitor clients progress. Until last year no verification of client job destinations was held and or extractable from the Hanlon management information system;
- There is no evidence that common methodologies are used by service providers to assess clients’ needs and to measure clients’ progress in terms of ‘soft’ employability skills. Consequently, the information on ‘soft’ outcomes provided by survey respondents could not be validated and raised an underlying issue of service providers’ assessment of clients’ job readiness. Based on consultations with service users, service providers such as Ingeus or Working Links appear to be striving to accelerate clients entry into employment without considering the full extent of clients’ personal barriers to employment;
- Limited information was made available by employability service providers in relation to registered clients’ specific job destinations and the duration of their
employment. There was insufficient information provided by service providers that inhibited a robust assessment of labour-market ‘substitution’ effects.

7.3 Key Issues

A number of key issues have been identified in the review, which requires to be addressed by the Inverclyde Employability Partnership.

Employability Service Provision

Gaps in Current Employability Service Provision

It is recognised that in line with the overall thrust of national employability policy and in addressing local needs, recent employability provision within Inverclyde has targeted a range of client groups, particularly young unemployed. However, based on consultations with stakeholders, employability service providers and service users, there appears to be less service provision specifically targeting ESA claimants re-assessed as ‘fit to work’, people aged over 50, women, long-term unemployed, lone parents, people with addiction issues, people with a disability/mental health problem and other care groups.

Gaps in Linkages between Employability Services and Support Services

Based on consultations with both service providers and service users there is a perceived gap in the linkages between employability services and other services aimed at people with multiple needs e.g. long term unemployed with addiction and or mental health issues, ex-offenders.

Lack of Synergy between National and Local Programmes

Whilst there have been improvements in bringing together different initiatives e.g. SDS and Inverclyde Council Education Services – MCMC initiatives, there is a need for greater synergy between programmes led by local partners and those that emanate from national government agencies e.g. IIEP and DWP Work Programme.

Co-ordination and Integration of Employability Service Provision

Despite the progress that has been developed through the Inverclyde Employability Partnership further work is required to strengthen the integration of employability service provision in Inverclyde. As indicated in Section 5 above, there is a range of service providers operating in Inverclyde that are driven by different national and local policies, funding, operational and reporting requirements.

Greater Inter-Agency Working

On the basis of stakeholder consultations the ongoing development and promotion of the Inverclyde Employability Pipeline requires a more demonstrable input and commitment from partner organisations. Despite the establishment of the Employability Practitioners’ Group a significant number of survey respondents had limited awareness as to range, scale and nature of employability services delivered by other service providers. This suggests that inter and intra-agency communications of partner organisations appear to have done little to raise awareness of the Inverclyde Employability Partnership’s role in developing employability services for Inverclyde residents and employers. There is an obvious need to share pertinent information across and through employability ‘service chains’ in order to reduce the duplication of activity and enhance the delivery of employability services to clients and prospective service users.
Transitions to Work for Young People

There appears to be concerns amongst consultees about the sustainability of the positive destinations achieved by school leavers in Inverclyde. At time of writing, it was unclear what level of Employability Fund support will be available in Inverclyde for 2014-2015.

As indicated in Section 5.4 above, ten organisations were awarded Employability Fund contracts in 2013-2014. Only five of the ten organisations awarded Employability Fund contracts provided information on the age-cohorts and the number of clients engaged in each of the EF Stages 2, 3 and 4. The number of Employability Fund beneficiaries engaged appears to be relatively small. Whilst these EF initiatives may be well intentioned it is unclear whether the design of the Employability Fund initiatives meets the needs of the range of target young people and the needs of employers.

Consultations with service providers and focus group participants suggest that there are ongoing issues relating to the progression of those young people most at risk of long term unemployment, those falling out of positive destinations after Activity Agreements and those young people not achieving an initial positive destination.

Inverclyde Labour Market

Understanding the impact of the recession on the scale, extent and nature of unemployment

The speed at which the recession developed meant it was difficult for employability service providers to draw on up-to-date information and analysis which could inform the Inverclyde Employability Partnership’s strategic and operational response. Consultees highlighted some specific difficulties in the data and information about the changing dynamic of unemployment that is being used by the local employability partner, for example, information about redundancies within small and medium sized enterprises (SME). There was also a lack of available evidence about the impact of interventions which is an issue related to understanding of impact rather than the actual lack of impact itself.

Mismatch between Demand and Supply of Jobs

Inverclyde lacks job opportunities and this was one of the key issues reiterated by service providers in terms supporting more unemployed residents into employment. Local partners need to address the evident mismatch between available employment opportunities and the aspirations of working population of Inverclyde.

In-work Progression

As the economy begins to move out of recession, there will be an increasing focus on ensuring that the cycle of unemployment and worklessness which many people experience is halted. An important aspect of an effective employability strategy is the ability to ensure that people continue to progress in the workplace once they re-enter employment. One of the main ways in which local employability partners could address unemployment is by adapting existing provision, including both the enhancement of existing programmes, particularly in terms of ensuring that provision is of a sufficient scale, and adapting the criteria which underpin the delivery of projects and activities. Prior to the recent recession, the public sector in Inverclyde has played a key role in actually stimulating the demand for labour through its role as the major employer in Inverclyde. As indicated above, Inverclyde Council's role was enhanced by the use of the Future Jobs Fund Programme.
Assessment of Clients Needs

**Identifying the needs of individual clients**

The review reinforces the importance of identifying the full range of support needs each individual has. Unemployed people face a number of barriers that prevent them from returning to work including lack of skills, poor employment history, poor physical and mental health, poor access to transport and a lack of awareness of available job opportunities. Delivering effective support is reliant on agencies being able to assess client needs. At present there is no consistent approach to client assessment undertaken by employability service providers. It is important that services are able to cross refer, meaning frontline staff require access to up to date and comprehensive information about the types of support available in a particular area. Assessment of needs should underpin brokerage to services across different providers.

**Information Sharing**

It is recognised that client confidentiality is a key issue for service providers and that the sharing of client details is restricted by the Data Protection Act. However, a number of interviewees agreed that there is a need for greater information sharing, with clients’ agreement, between service providers to avoid duplication of effort in collating client information and improving the needs assessments of clients. There is a need to ensure that employability services are client centred and shaped on the specific and often complex needs of service users. It appears that the potential use of the Hanlon MIS continues to be undeveloped whereby service providers, albeit with restricted access, could input and extract pertinent client data that would assist in the assessment of clients and strengthen the integration of employability services.

**Employer Engagement**

Consultations with stakeholders and survey responses indicate that a wide range of organisations engage with employers in Inverclyde. However, based on previous MCRC research and current fieldwork a number of issues require attention:

- The scale of business sector penetration is quite low compared with the overall scale of businesses operating in Inverclyde;
- Many of these businesses do not view their contact with key employability service providers as being about business development or the recruitment and skills agenda. However, greater employer engagement could and should identify business needs and identify issues to be addressed jointly;
- Currently, there is little evidence of joined up labour market intelligence between local businesses and the main employability service providers. Based on stakeholder interviews there is no existing systems to gather, analyse and utilise the intelligence collated;
- Given the scale and level of contact with local businesses / SME’s, Inverclyde Council needs to embed the potential role of its departments as a source of business intelligence and identifying changes in the local business environment ( e.g. consumer & trading standards, environmental health, planning applications, building control/standards and licensing);
- Greater ‘employer sector penetration’ by the respective Inverclyde Council, SDS Business Development teams and the Trust’s Employer Engagement Unit focusing on the ‘business needs’ of new and or disengaged employers. Whilst evidence suggests it is better to have strong links with a few genuinely committed employers than weak links with many
employers, a significant number of past client job entries appeared to be the result of established contacts with receptive employers e.g. construction companies signed up to the ‘Communities Benefit’ contractual clause and active in the Construction Plus Partnership, rather than new and or disengaged employers;

- The need for partner organisations involved in the promotion of the ‘Inverclyde Employer Plus’ brand to develop more sectors’ focused marketing material promoting the range of services provided by all relevant partner organisations.

**Employer Representation**

According to a number of consultees there is need to develop a more open and effective employer network that can contribute to the development of the IIEP. Failing concern identified by the consultant in the development of both the Inverclyde Alliance’s Strategic Employability Group and the Employer Engagement Sub-Group, is that “no significant employers” are contributing or participating in the development of the IIEP. Consultations with representatives of the Inverclyde Chamber of Commerce suggest that this organisation has limited potential to inform the future direction of employability services given its membership base and its inability to act as a ‘conduit’ to larger employers and promote the objectives of the IIEP.

**Commissioning of Future Employability Services**

The Scottish Government view procurement as central to delivering high quality employability services. The use of a tendering/contracting model by Inverclyde Council (on behalf of the Inverclyde Alliance) should add significant value by:

- Reducing the risk for the Inverclyde Council with employability services clearly specified, performance targets set and reviewed;
- Where ESF/ ERDF funding contributes to employability measures it could reduce the level of bureaucracy;
- Maximise the quality and effectiveness of employability services.

Notwithstanding funding uncertainties facing the public sector, Inverclyde Council may wish to consider whether its current tendering/contracting approach for ‘Inverclyde Works’ contracts should continue or if the current tendering approach could be improved. It is evident that approach favored by recent national employability programmes (e.g. New Deal, Pathways to Work and the Work Programme) is ‘outcome funding’ which the DWP believe is the best commissioning approach for delivering effective and value-for-money employability services. Outcome funding is when payment is provided to contractors on achievement of an outcome such as job entry or sustaining employment for 13 weeks.

Payments can also be made to contractors for progress clients further from the labour market have made towards employment (e.g. improved literacy levels, started volunteering, moved into education/training, etc.). The supposed advantages of outcome funding compared to payment at key milestones (e.g. client entry into employment/ sustained employment) or payment to deliver the programme are as follows.

- Contractors are motivated to ensure that clients achieve the programme’s objectives (e.g. move into employment, increase skills, etc.).
- This drives programme design and delivery – leading to services are more focused on the needs of individuals and employers.
• The risk of underperformance is minimised – meaning the procurer can be more confident of achieving their objectives.

• Money is only paid to service providers if the programme’s objectives are achieved. However, this can also be a disadvantage as under spends often generate a ‘credibility’ problem with funders.

Whilst outcome funding is seen by DWP as an alternative to milestone funding or payment for delivery of the programme, the reality is that most ‘outcome funding’ models actually contain a mix of payment methods. For example, the Work Programme (outlined in section 2.9 above) includes both milestone payments (for engagement, completion of x weeks on Work Programme, etc.) and outcome payments. However, changing from the current tendering/contracting model used to commissioning ‘Inverclyde Works’ services could provide a number of key challenges for Inverclyde Council and valued service providers:

• The current ‘Inverclyde Works’ contractors are local third-sector organizations. For all of these current contractors there are inherent financial risks involved in moving to an outcome funding approach. However, this could be addressed by ensuring the commissioning system adopted included both outcome payments and milestone payments.

• If Inverclyde Council were to introduce a new mixed outcome funding commissioning approach consideration should be given factoring in an up-front payment to help develop and deliver the service, particularly for third sector organizations with limited cash reserves.

• As evident from initial assessments of the delivery of the DWP’s Work Programme, outcome funding can encourage providers to cream off the best clients and ‘park’ those that will be more difficult to move into work (As experienced by ex-Work Programme focus group participants). This could be addressed by ensuring payments are established for moving those that are further from the labour market towards and into employment;

• An outcome funding model would require more dedicated staff time to monitor report and manage contracts.

A number of employability partnerships are currently considering or about to introduce ‘outcome funding’ approach to commissioning employability services e.g. Dundee CPP. Evolving best practice suggests that CPP’s considering outcome funding for the delivery of employability services should include milestone payments (e.g. for client engagement), progress towards employment (especially for those further from the labour market), job entry and job sustainability. If Inverclyde Council consider applying an ‘outcome funding’ model for the commissioning of future employability services it is essential that consultations are held with other employability partners and current contractors about any proposed changes to contracting process.

**Targeting of Client Groups**

Based on the review of current provision and consultations with service providers and service users, detailed planning is required regarding the targeting of employability services. This would include consideration of the provision of mainstream support services and the requirement for effective wraparound services for specific client groups. This could include for example additional activity to address ongoing issues of youth unemployment; support for people moving from health related benefits back into work; and support for people with additional needs e.g. addiction, mental...
health issues, ex-offenders. This element of the employability pipeline should be designed to ensure that there is no overlap or duplication of employability services and that service provision is more effective in progressing clients into sustained employment.

Impact of Welfare Reform

As evident from research on the cumulative impact of Welfare Reforms on Inverclyde, serious attention requires to be given to how existing employability services can support those people impacted by the changes being introduced through the Welfare Reform Agenda. This would include ensuring effective co-ordination and joint working between employability service providers and Inverclyde Council / Inverclyde CHCP. Examples of actions that are being developed or require to be enacted are signposting clients to additional support services e.g. services being developed by Inverclyde CLD for digital inclusion and training; access to enhanced welfare rights/money advice services provided by Financial Fitness, Inverclyde CHCP’s Welfare Rights and RSL’s; Financial Fitness provision of back to work benefit calculations. As indicated in Section 2 above, an emerging issue at both local and national levels is in work poverty by supporting those individuals that are in low paid jobs or part-time work.
8.0 Conclusions

8.1 Introduction

MCRC were commissioned by Inverclyde Council to undertake a comprehensive review of the Inverclyde Employability Partnership’s current employability service provision and make recommendations for the future delivery of employability services in light of changing labour market, policy and funding contexts.

This review has involved a range of activities including: the review of the operational and policy environment within which the Inverclyde employability services have evolved; an overview of the current employability service provision’s fit within the Inverclyde Employability Pipeline and to provide recommendations for the future delivery of employability services in Inverclyde.

8.2 Key Conclusions

From both the quantitative and qualitative research a number of key conclusions can be identified:

8.3 Changing Policy and Funding Environment

There is often tension between unemployment policy made at the national level and delivery locally. Whilst there is rhetoric of local policy-making and delivery from central government in tackling unemployment, policy remains overwhelmingly centralised particularly around benefit management and job brokerage functions. It is recognised at a local authority level, that centralised welfare policy restraints constrain the ability of local authorities to react to recession related unemployment.

- The UK Government’s ‘Welfare Reforms’ have introduced greater conditionality and benefit re-assessment, potentially increasing the number of additional clients furthest from the labour market e.g. IB/ESA, DLA claimants, women returners and ex-'Work Programme’ participants, seeking advice and employability support. This will require a targeted response by employability service providers to clients, particularly those re-assessed ‘fit for work’ after long periods of unemployment due to limiting ill-health.

- The impact of welfare reform and the related introduction of Universal Credit will increase the demand on a range of support services in Inverclyde – and is likely to lead to more people taking low paid work and/or more part time roles. Helping those seeking work to benefit from the ‘upside’ of Universal Credit – making it easier to take short term work or put together a mix of part-time roles – while mitigating the ‘downside’ of possible significant reductions in household income is a challenge facing Councils over the next year or so.

- With the exception of Jobcentre Plus, at present there is no formal working relationship or engagement between the Work Programme prime contractors and other employability service providers operating in Inverclyde. To avoid service duplication, ensure effective targeting and maximisation of limited local employability resources, there is an obvious need for the Inverclyde Employability Partnership to engage with the prime contractors to address issues around ‘parking’ of clients with other agencies, especially the increasing number of unemployed ex-Work Programme participants seeking support from other less well-resourced employability service providers.

- In terms of the local implementation and delivery of the Scottish Government’s range of inter-related policies addressing employability and worklessness, all employability partners continue to face constrained or reduced budgets resulting from the latest Comprehensive...
Spending Review. Given the public sector spending cuts ongoing impact on mainstream and discretionary employability services, key stakeholders (Inverclyde Council, SDS, West College and JCP), will require finding efficiencies, improving effectiveness and prioritise services to meet the changing operational environment within which the Inverclyde Employability Partnership’s strategic objectives are delivered.

- At the time of the completion of the review there were no firm arrangements in place to financially underpin the ‘Inverclyde Works’ contractors beyond September 2014. Inverclyde Council are currently awaiting confirmation from the Scottish Government and the EU on the new arrangements for the new EU ERDF/ESF 2014-2020 programme. Despite this financial ‘hiatus’, the Inverclyde Economic Development & Regeneration Operating Plan 2014-2017, indicates that the plan’s strategic priorities and indicative funding offers an opportunity to underpin the delivery of the Inverclyde Employment Pipeline

8.4 Operational Context – Inverclyde’s Labour Market

The socio-economic context within which the Inverclyde employability services have evolved is common to many CPP areas tackling worklessness. Key issues include:

- High levels of unemployment and economic inactivity
- High proportions of those who are in employment work in low skill, low pay jobs
- Underemployment amongst some residents
- Low levels of household income
- Poor educational attainment and outdated skills
- Changing labour market conditions and job opportunities requiring new skills

The operating environment within which the employability services continue to be delivered remains challenging in terms of providing ongoing support for those clients’ furthest from available employment opportunities and those emerging client groups e.g. new unemployed, people facing redundancy, young people and former welfare benefit dependents.

Despite the emphasis placed on paid work, within Inverclyde this is often part-time, insecure, low-paid and low status work on the margins of the labour market. For many individuals, households and communities within Inverclyde, entering work cannot provide a sustainable route out of poverty if job security, low pay and lack of in-work progression are not also addressed. Particular groups are significantly more likely to experience in-work poverty, particularly families with children, who can face double the risk of poverty. There is also a high degree of ‘churn’ or ‘cycling’ between work and unemployment, described by commentators as the ‘low pay/no pay cycle’. Based on the review’s quantitative and qualitative research it is apparent that many individuals and households within Inverclyde are ‘merely bumping along the runway and never taking off’.

Although the overall rise in UK unemployment levels may be lower than expected, commentators are concerned that the recent economic downturn has resulted in a wider, cross-sectoral impact compared with previous recessions, and also that it is disproportionately affecting younger workers, and those in higher skilled jobs - which could lead to a ‘glut’ of jobseekers with high level skills (and high expectations), as well as increased competition at the lower end of the labour market. On the basis of their current ‘employability’ status, a significant number of unemployed Inverclyde residents are in danger of becoming more ‘distant / detached’ from the limited
employment opportunities within the local labour market. Given the ongoing mismatch between demand and supply forecasted for the Inverclyde labour market, this raises serious questions for the Inverclyde Employability Partnership on the future focus and service priorities, including the content of training courses equipping clients for occupations with little or no vacancies.

The scale of the challenge facing the Inverclyde Employability Partnership continues to be significant with 18.0% of the working age population claiming out-of-work benefits, compared to 12.5% nationally. Despite signs of economic recovery, the impact on employment at national and local level will probably be modest for the foreseeable future.

The largest group of out-of-work benefit claimants were those individuals in receipt of Incapacity Benefit and Employment and Support Allowance (5,970 at August 2013). The size of this group coupled with the benefit re-assessment process introduced by the Welfare Reform Act, 2012, will require employability service providers to focus activities/services for IB / ESA claimants assessed as ‘fit to work’. At August 2013, 60.5% of ESA/IB claimants were aged between 45 – 64 years of age.

Despite the fall in claimant count unemployment there continues to be a mismatch between demand and supply in the Inverclyde labour market. Changing labour market conditions and job opportunities requiring new skills.

Notwithstanding improvements in school leaver destinations, the MCMC young people continue to fair poorly in the labour market. Assisting ‘disaffected’ and ‘detached’ young people to make better transitions into the labour market is a clear service priority for service providers.

A significant issue facing Inverclyde is a lack of jobs – with one of the lowest jobs densities in Scotland ratio. Consequently, increasing the number of jobs available to claimants furthest from employment continues to be a priority.

Based on the consultations with service users’, the partnership also need to consider how improved transport links can be made to employment opportunities elsewhere given the high cost and travel time to major employment centres in commuting distance.

The latest performance data from DWP’s Work Programme reveal that performance in placing people in sustainable work is not strong (and in most areas such as Inverclyde is lower than the preceding New Deal) – and that those furthest from work appear to be being ‘parked’ (increasingly making ad-hoc / concealed client referral to other service providers such as the Trust) because the additional financial incentives for helping them find sustainable work isn’t enough to make it worthwhile to provide effective support. Jobs for ESA claimants’ remains the single largest problem for Work Programme. The number of individuals, particularly older aged claimants, completing their participation in the ‘Work Programme’ and who remain unemployed, will require to be re-engaged and employability service activities ‘customised’ to meet the challenge of moving ex-Work Programme participants into sustained employment.

The employment patterns of survey respondents indicate that the majority of respondents’ previous jobs were in low-entry occupations with little or no demand as highlighted in Section 3.8 above.

Given the scale of low-pay evident in Inverclyde, the challenge on the supply side is not simply moving people into work, but supporting them to progress in work and to increase their income. Progression could mean helping an individual move into a better job (with the same employer or a different one) with better pay or, where possible, to increase hours of employment. Currently, the Work Programme is focused on moving people into work quickly and sustaining employment.
However, a stronger focus on progression in work would help turn dead-end jobs into stepping stones and help people move out the benefits system.

Recent research suggests that the financial incentives attached to job outcomes results, means that Work Programme providers such as Ingeus and Working Links gear their advice/support towards sustaining employment, rather than progression. Research also suggests advice on its own is not effective in work progression. The evidence appears to support ensuring people are placed in jobs that they are suited to, combined with advice, training and financial incentives to sustain employment and progression.

Moving the system towards progression will also require employers to take a serious interest in progressing their low-paid employees, unfortunately few employers locally appear to offer training to those in elementary occupations. Based on previous research with skills providers, employers need to be willing to receive support and undertaking training. Focus group participants highlighted that for low entry/low-paid workers the cost of training and domestic/time commitments were major factors affecting their decision on whether to undertaking qualifications/further training.

Whilst low-paid staff require being willing to undertake training, there must be jobs available for staff to progress into. The role of employers is critical through their demand for skills. There is an ongoing need for Inverclyde Council & SDS Business Development teams and ICDT Employer Engagement Unit to engage with SME's and larger companies to promote the mutual benefits of after-care and training resources available to employers.

8.5 Inverclyde Employability Pipeline

The current range of clients targeted by employability service providers appears to reflect the current Inverclyde JSA claimant profile.

It is evident that progress has been made in inter-agency working to develop employability service provision in Inverclyde. The Inverclyde Employability Partnership has been established to co-ordinate and integrate employability services that will underpin the Inverclyde Employability Pipeline’s approach to supporting individual's progress towards sustaining employment.

Examples of good practice include:

- Inverclyde Council’s Education Department and SDS collaboration and joint working on issues relating to school leavers and those individuals categorised as belonging to the MCMC group;
- Inverclyde Community Development Trust’s effective working relationship with its subcontractors Financial Fitness and Inverclyde Council CLD;
- Inverclyde Community Development Trust's working relationship with JobCentre plus e.g. volume of referrals;
- Inverclyde Community Development Trust’s working relationship with Inverclyde CHCP e.g. seconment of health staff to enhance offer to employers ‘Health at Work’ initiative;
- Over the period 2008-2013, Inverclyde Construction Plus Partnership created 700 construction jobs/training opportunities and created over 50 modern apprenticeships

The Inverclyde Integrated Employability Programme is heavily reliant on the three contractors commissioned under ‘Inverclyde Works’. Overall, Inverclyde Community Development Trust, Stepwell Consultancy and Inverclyde Advice & Employment Rights are meeting the targets set by Inverclyde Council.

It is recognised that in line with the overall thrust of national employability policy and in addressing local needs, recent employability provision within Inverclyde has targeted a range of client groups, particularly young unemployed. However, based on consultations with stakeholders, employability
service providers and service users, there appears to be less service provision specifically targeting IB/ESA claimants re-assessed as ‘fit to work’, people aged over 50, women, long-term unemployed, lone parents, people with addiction issues, people with a disability/mental health problem and other care groups.

8.6 Young People Services (16-24 Years)

All survey respondents identified themselves as delivering employability services for young people aged under 24. However, within this service provision there is a strong focus upon those young adults who potentially are at risk of becoming part of the MCMC group. This strong focus on the young unemployed reflects the current national and local policy and funding priorities outlined in Section 2 above.

A number of Employability Fund contractors have identified a service gap for young people aged 16-17 who have completed the ‘Certificate of Work Readiness’ but unable to find employment and potentially “languishing” until they are 18 and can access JobCentre Plus services. Contractors suggested that some form of targeted intervention by service providers should be developed to engage this age cohort to ensure they do not “regress” and “become disaffected”.

8.7 Adult Services

At present, there are a number of service providers delivering employability services to individuals aged 25 -64 that are long-term unemployed, individuals facing redundancy, newly unemployed, individuals with poor terms and conditions of employment, individuals with significant health or other barriers to employment.

In September 2013, COSLA estimated that approximately 80% of national employability resources, excluding the DWP Work Programme, were currently aimed at young people. However, this approach may provide insufficient financial and operational scope to meet the increasing demand for employability support from older job seekers, IB/ESA and DLA claimants that are re-assessed as ‘fit to work’, those workless households affected by the introduction of ‘Universal Credit and the increasing number of unemployed who have either been ‘parked’ by Work Programme prime contractors.

8.8 Integration of Employability Services

Whilst the employability pipeline ‘concept’ has encouraged service providers to view their services as contributing to an integrated portfolio of employability services. However, service delivery organisations felt that it was overstating the level of integration of employability services that had occurred given the varied national, local policies and funding programmes that prescribe service specifications and outcome targets.

8.9 Balance of Employability Service Provision

Only a very few consultees felt that the current range and mix of employability services developed through the employability pipeline ‘concept’ were adequate. The majority of consultees felt that there were gaps in service provision and many recognised the growing need to engage with employers and others felt on the back of the success of the application of Future Jobs Fund there is a need to directly create employment opportunities. This observation mirrored survey respondents and service users views that despite a fall in unemployment, there continues to be a lack of jobs, particularly a lack of low-entry occupations in Inverclyde.
The majority of consultees recognise that continued emphasis should be given to stage 2 and stage 3 of the employability pipeline given changing labour market conditions and the cumulative impacts of welfare reform.

8.10 Inverclyde Employability Partnership Infrastructure

There is now considerable evidence to indicate the importance of effective partnership working to delivering services aimed at tackling worklessness at both national and local levels. Given the degree of ‘institutional fragmentation’ at the local level, it is recognised by consultees that the establishment of the Inverclyde Employability Partnership has assisted some partner organisations develop and maintain productive, effective working relationships with agencies and organisations at both strategic and operational levels.

However, whilst a range of community planning partners are represented on the Inverclyde Alliance’s Strategic Employability Group and the Employer Engagement Sub-Group, the main drivers of the Inverclyde Employer Plus Partnership initiative are Inverclyde Council’s Economic and Regeneration Service, Inverclyde Community Development Trust and Jobcentre Plus.

The majority of consultees felt that both the Strategic Employability Group and the Employer Engagement Group had become forums for membership organisations to present information on their individual services and digest information on new funding streams, organisational restructuring and changes to organisational representation at these groups. Despite the efforts of the Workforce Development Manager to drive the Inverclyde Alliance’s employability agenda, over the last eighteen months, the lack of continuity/dilution of senior representation from key partner organisations has led to the view that both these groups have primarily become depositories for service updates. For newer members of the expanded Strategic Employability Group and Employer Engagement Group there appears to be no evidence of structured hand-over briefings from former representatives to colleagues explaining their organisations’ roles and remits relating to their participation in these employability groups.

8.11 Gaps in Service Provision

Service users consulted indicated that they felt that there was limited supported to women returners, unemployed over 50s, long term (1 year plus) claimants, ex-DWP Work Programme participants, ex-offenders and those ESA claimants identified as ‘fit for work’. There are number of possible reasons for this perception: the targeting of these clients has been poor; the services on offer do not appeal to these client groups or simply that these individuals are not currently actively trying to move into employment. Service providers need to consider how they can improve the quality, attractiveness and relevance of the services it offers for these clients.

8.12 Service Providers Awareness of Other Employability Services Being Delivered in Inverclyde

Based on consultations and service providers survey responses there is a lack of awareness of the range and nature of employability services being delivered by statutory and non-statutory in Inverclyde. For example, only a few consultees were fully aware of the number of EF contractors currently delivering services to young people aged under 24 or were aware of the contents of Inverclyde Employer Plus offer to local employers. There is an obvious need to produce and update a directory of all employability services operating in Inverclyde.

There is also an ongoing issue of confusion amongst service providers and service users as to the depth and scale of services apparently being delivered by the DWP Work Programme prime contractors.
8.13 Future Service Priorities

Given the changing labour market, policy and funding context, interviewees and survey respondents were asked to identify the employability service that should be prioritized and development beyond September 2014. Consultees and survey respondents suggested providing services to:

- Individuals affected by benefit re-assessment e.g. IB /ESA claimants deemed ‘fit to work’ and future shift towards Universal Credit will result in more individuals seeking employment;
- The ‘newly long term unemployed’ – i.e. those that lost their jobs during the recession and have quickly become part of the long-term unemployed;
- Over 50’s at risk of becoming long-term unemployed;
- Lone Parents and Women ‘returners’;
- Former DWP Work Programme participants who have not been supported into positive job outcomes by prime contracts;
- 18-19 year olds at risk of becoming part of the MCMC group;
- Individuals with significant health or other barriers e.g. those engaged with mental health services, those engaged in the criminal justice system, those with addiction issues.

8.14 Overall Value for Money

Due to the lack of accessible and robust data from other mainstream and non-statutory employability providers operating in Inverclyde, the consultant was unable to undertake a comprehensive quantitative assessment and comparison of services provided by the range of employability service providers. The limitations of the research in respect of comparing the services delivered through ‘Inverclyde Works’ with other employability service providers was compounded by a number of factors:

- No detailed information was obtained from the two DWP Work Programme prime contractors Ingeus and Working Links in terms of client referrals, outcome data, etc. To assess and compare the services provided by the prime contractors with other statutory and non-statutory employability service providers, it would be necessary to obtain comprehensive and detailed performance data;
- No detailed financial information was provided by employability service providers which would assist the consultant make a comparison of value for money of individual service activities/ interventions.

8.15 Performance of ‘Inverclyde Works’ Contractors

Based on outcome data provided by Inverclyde Council, the three ‘Inverclyde Works’ contractors appear to be meeting contractual targets. Whilst the Inverclyde Community Development Trust did not meet the ambitious job outcome target for 2013-2014 set by Inverclyde Council, the percentage of job outcomes for clients (65.5%) delivered by the Trust’s employability services was significantly higher than the percentage job outcome rate (13.3%) achieved locally by DWP prime contractors.
9.0 Recommendations for Future Delivery of Employability Services

9.1 Introduction

This final section of the evaluation report offers a number of recommendations for consideration by the Inverclyde Employability Partnership for the future design and service priorities of employability service providers.

Recommendation 1: Improvements to Governance Structures

At this stage in the Inverclyde Employability Partnership’s development, it is recommended that monitoring and review structures are revitalised. The structures proposed are:

- The existing Strategic Employability Group dissolved and its strategic role subsumed into Economic Development and Regeneration Programme Board. This group should report directly to the Inverclyde Alliance Partnership Board on the progress and contributions made by employability partners towards SOA outcomes; Note that during the course of this review, Inverclyde Council have undertaken this revamp and a new Inverclyde Regeneration and Employability Group has been established and met for the first time being chaired by the Director of Environment, Regeneration and Resources.

- The Inverclyde Council’s Workforce Development team should review the existing Employability Practitioners’ Group’s role and remit. On the basis of observation and respondents comments there appears to be a need for a network forum for service delivery organisations to discuss and review emerging employability issues impacting upon service delivery to clients. The revamped Practitioners Network should provide a sounding board for the implementation of national and local employability policies and provide relevant issue papers for consideration by the Economic Development and Regeneration Programme Board.

Recommendation 2: Priority Client Groups

With ongoing pressures and uncertainty over funding resources will require partners to prioritise how they commit limited resources beyond April 2014. It is recommended that the Inverclyde Employability Partnership focus attention on the following priority client groups:

- Individuals affected by benefit re-assessment e.g. IB /ESA claimants deemed ‘fit to work’ and future shift towards Universal Credit will result in more individuals seeking employment;

- The ‘newly long term unemployed’ – i.e. those that lost their jobs during the recession and have quickly become part of the long-term unemployed;

- Unemployed over 25

- Over 50’s at risk of becoming long-term unemployed;

- Lone Parents and Women ‘returners’;

- Former DWP Work Programme participants who have not been supported into positive job outcomes by prime contracts;

- Young people at risk of becoming part of the MCMC group;
- Individuals with significant health or other barriers e.g. those engaged with mental health services, those engaged in criminal justice system, those with addiction issues or at risk of becoming homeless

Recommendation 3: Stages of the Employability Pipeline Required

Based on feedback from consultees, there was no overall consensus as to which of the five stages of the Inverclyde Employability Pipeline should be key priorities to tackling worklessness in Inverclyde. Organisations priorities not unsurprisingly reflected the actual employability pipeline stages individual organisations were currently delivering. However, it is recommended that the Inverclyde Employability Partnership considers the following actions in relation to future funding of stages delivered through the Inverclyde Employability Pipeline:

**Stage 1: Client engagement & Assessment.** Awareness of the main employability service providers (JobCentre Plus & ICDT) are relatively well known to claimants and unemployed. It is recommended that less resources are committed to large scale client engagement /outreach activities and the member organisations e.g. Employability Practitioners’ Group, assist in the awareness raising of all employability services that can assist and support individuals.

**Stage 2: Barrier removal and positivity activity.** Given the range of ‘vulnerable’ clients identified above, that may have complex and distinct barriers to employability, it is recommended that service priority is given stage 2 and stage 3.

**Stage 3: Early Work & Later Work Preparation.** Despite the fall in the unemployment rate, for those clients distant from employment, personal & vocational skills development remain critical to helping clients to compete effectively for available jobs. However, the development of vocational training needs to be aligned to labour market demands and changing employment opportunities. This underscores the need for the Inverclyde Employability Partnership to develop improved mechanisms to gather and share up-to-date labour market intelligence that can be used to identify trends / forecasts in employer demands.

**Stage 4: Employer Engagement /Job Brokerage.** As outlined in Section 8.3 above, employer engagement will continue to be vital to access job opportunities for clients. However, it is recommended that the IEP address the ongoing of issue of confusion amongst employers who are approached by various organisations with a view to secure employment opportunities, work experience and work placements.

**Stage 5: In-Work Aftercare Support & Skills Development.** As outlined in Section 8.3 above, employability service providers need to focus more attention on sustainability and progression in work. Recommendation 8 below outlines a number of recommended actions to ensure that in work progression and development continues.


There is a need for the Inverclyde Employability Partnership to develop formal relationships with Ingeus and Working Links to ensure that their employability services complement and add value to the range of employability services provided by other statutory and non-statutory organisations. It is recommended that Inverclyde Council explore with JobCentre Plus how they can improve effective relationships with both prime contractors to ensure that there is no duplication of services to unemployed residents. Consideration should also be given to offer the prime contractors membership of the Inverclyde Alliance’s Programme Board for SOA 3 Economic Regeneration / Employability which is proposed to subsume the role and remit of the existing Strategic Employability Group.
Recommendation 5: Actions to Increase Employment Opportunities

Inverclyde has limited job opportunities and remains a key issue for all consultees. It will be important for the Inverclyde Employability Partnership to focus attention on accessing employment opportunities. Potential activities should include:

- Including the provision of employment and training opportunities for Inverclyde residents in the Local Development Plan e.g. where an employer is seeking planning permission for a development there is scope to consider TR&T as part of a planning agreement;

- Building better working relationships between SDS, Inverclyde Council’s Business Development teams and Inverclyde Community Development Trust’s Employer Engagement Unit to ensure that comprehensive offer / support is offered to employers and to act as a source of early intelligence about opportunities;

- Inverclyde Council and Inverclyde CHCP should seek to further develop the opportunities from Procurement / Community Benefits - Potential areas for exploration could include adult care and home care service contracts

Recommendation 6: Ensuring that in-Work Progression and Development Continues

An important aspect of developing further the Inverclyde Employability Pipeline is the ability to ensure that people continue to progress in the workplace once they return to employment. It is recommended that the IEP partners consider enhancing the number of ways of achieving in work progression:

- Encouraging employers who benefit from employment schemes (e.g. job subsidy schemes) to commit to ongoing staff development;

- Ensuring that wider support mechanisms are in place to address underlying issues such as health;

- Public and private sector investment support in work training, continuous professional development and formal qualifications;

- Employment advisors/ employer engagement staff to provide support and mentoring after someone has secured employment.

At the time of the review it was noted that Inverclyde Council were in discussions with Glasgow City Council who are leading on the ‘City Deal’ initiative that proposes to include IWP, Youth Gateway and ESA programmes.

Recommendation 7: Joined Up Business Support Services

As highlighted above, there are a number of Inverclyde Council’s services that have significant engagement with local businesses/employers. However, these services are perceived by Council officers and by local businesses as primarily having ‘policing and approval’ roles. However, these officers could potentially play a subtle ‘fieldworker /researcher’ role in assisting business & workforce development teams identify business expansion/contraction, recruitment opportunities and skill needs. It is recommended that Inverclyde Council consider the following actions:

- Senior managers develop and facilitate short-joint staff development programmes /‘employability awareness sessions’ highlighting the significance of staff’s
engagement with local businesses and their potential role in collating useful information on local businesses that would inform employer engagement activities;

- Develop an effective internal information system to collate and forward to the Council’s Business and Workforce Development teams up-to-date information on the local business operational environment.

**Recommendation 8: Sustaining Partnership with West College**

It will be important to consider the implications of the development of the new West College for the Inverclyde area as part of the future development of services. Given the current operational and staff restructuring taking place as a result of the college merger, it is recommended that the Inverclyde Employability Partnership engage with West College staff to ensure that the contribution and strategic role of West College is sustained and developed in the future work of the Inverclyde Employability Partnership.

**Recommendation 9: Raising Awareness of Employability Services Being Delivered in Inverclyde**

There is a lack of awareness of the range and nature of employability services being delivered by statutory and non-statutory agencies in Inverclyde.

- It is recommended that the Inverclyde Employability Partnership produce an up-to-date directory of all employability services operating in Inverclyde;
- Given the apparent lack of awareness or interest in the Inverclyde Employer Plus initiative is also recommended that a new ‘Inverclyde Employers Pack’ is produced and distributed to SME’s in Inverclyde;
- It is recommended that the Inverclyde Employability Partnership organise a number of ‘What Works in Tackling Worklessness’ inter-agency awareness events focusing on the needs of key client groups e.g. people with limiting illnesses/disabilities, people aged over 50, lone parents/women returners;
- It is recommended that an annual ‘Inverclyde Employability Partnership’ conference is held to review progress made by employability service providers in tackling worklessness. In addition to reviewing progress made by service providers, the event would offer the opportunity for stakeholders to reflect on the state of the Inverclyde economy, the scale of employability challenges facing the wider Inverclyde community and the potential opportunities arising from emerging national and local policies that could enhance the delivery of the ‘Inverclyde Employability Pipeline’

**Recommendation 10: Improved Sector Penetration and Targeting of Employers**

There is no comprehensive and up-to-date employer database to inform the delivery and sector targeting by employability service providers. It is recommended that the Council’s Business Development team in conjunction with partners JobCentre Plus, SDS and the Trust’s Employer Engagement unit, create and annually up-date an ‘Inverclyde Employer Database’.

**Recommendation 11: Employer Representation**

A concern identified by the review is that there is “no significant employers” contributing to the development and promotion of the Inverclyde Integrated Employability Programme, beyond the strategic role of the Chamber of Commerce. It is recommended that the new Chief Executive of Riverside Inverclyde in his role of lead officer for SOA 3 Economic Regeneration / Employability Programme Board undertakes a recruitment drive to obtain employer representation at a strategic level of the Inverclyde Employability Partnership.
Recommendation 12: Developing Partners Access and Use of the Hanlon Management Information System

A major issue identified by the review was the need for greater information sharing, with clients’ agreement, between service providers to avoid duplication of effort in collating client information and improving the needs assessments of clients. It is recommended that Inverclyde Council explore with Hanlon Associates the potential expanded use of the Hanlon MIS that would allow service providers, albeit with restricted access, to input and extract pertinent client data that would allow greater information sharing between service providers, enhance performance monitoring and provide robust output and outcome data that would provide assistance to the Inverclyde Employability Partnership in terms of producing impact assessments of aggregate employability services’ contributions to Inverclyde SOA Outcome Targets.

Appendix 1: Summary of Welfare Reform Impact on Inverclyde Claimant Groups

(i) Universal Credit

The introduction of Universal Credit is a central element of the Government’s changes to the welfare reform agenda and is set to replace the vast majority of existing benefits in an attempt to simplify the benefits system and make work affordable. The changes to Universal Credit are unprecedented in their scale and will be phased in over three stages nationally:

- 2013/14 – 500,000 new claimants of benefits and credits will be placed on Universal Credit and around 500,000 existing claimants will move to Universal Credit when they experience a significant change of circumstances;
- April 2014 onwards – 3.5 million existing claimants of benefits and credits move onto Universal Credit when they experience a significant change of circumstances;
- 2015-17 – 3 million households will be transferred to Universal Credit by local authority area.

In summary, Universal Credit is a working age benefit with additional elements for children, disability and caring. It will therefore replace a raft of existing in and out of work benefits, such as: Working Tax Credit; Child Tax Credit; Housing Benefit; Income Support; income based Jobseekers Allowance and Income based ESA.

The introduction of Universal Credit also includes some significant changes to the way in which benefits are paid and classified (e.g., Universal Credit will be paid monthly and directly to the claimant). This is a big change, particularly for the housing element of the benefit, as this is currently paid to the property owner. Universal Credit will therefore mimic a salaried wage and require claimants to have greater responsibility for budgeting their own finances. Universal Credit also involves a subtle change to the definition of working age. This means a couple will receive Jobseekers Allowance (JSA) as opposed to Pension Credit if one member of the couple is of retirement age and the other is of working age and unemployed. As a result, any such couple would be entitled to a lesser rate of benefit payment.

The scale and impact of Universal Credit

The unprecedented scale of the changes introduced via the Universal Credit will affect all claimants of receiving in and out-of-work benefit. At August 2013, 9,390 Inverclyde residents were claiming an out of work benefit (JSA, Incapacity Benefit/ESA or Income Support). In addition, in 2010-11, 2,300 working families in Inverclyde claimed Working Tax Credit or Child Tax Credit. If the number of in and out of work Inverclyde claimants continue at their respective current claimant
rates, approximately 11,690 Inverclyde claimants will be moved onto Universal Credit during 2014-15.

(ii) Incapacity Benefit (IB) and Employment Support Allowance (ESA)

On 27 October 2008, pre-existing benefits paid on grounds of incapacity and disability, that is Incapacity Benefit (IB), Severe Disablement Allowance (SDA) and Income Support (IS), were replaced with ESA for all new claimants. The new benefit is more aligned with JSA:

- placing greater emphasis on assessment of an individual’s functional capabilities;
- providing support and encouragement to move claimants with health conditions towards employment;
- paying at a pre-assessment rate equal to JSA.

The move to ESA involves the claimant completing a medical questionnaire and, if required, a face-to-face Work Capability Assessment (a medical assessment) delivered until recently by ATOS healthcare, a private sector occupational healthcare provider. The results of this assessment process determine whether a claimant is required to seek paid work or is eligible for ESA payments, as claimants are categorised as either ‘fit to work’ or placed within the ‘support group’ or ‘work related activity group’.

Claimants deemed fit for work are moved onto other out of work benefits, typically JSA, which provide greater conditionality and an emphasis on securing employment. The work related activity group are considered able to work with the right support in place to manage or overcome their health condition. Consequently, claimants placed in the work related activity group are placed on time limited ESA for one year to encourage progression towards work. Finally, the support group is considered too ill or disabled to work and is not required to make steps towards employment.

The scale and impact of Employment Support Allowance Re-Assessments

The latest data released by the Department for Work and Pensions (March 2014) shows the following outcomes from ESA reassessments (e.g. those clients currently claiming Incapacity Benefit or being reassessed as their existing claim has lapsed).

Inverclyde, like many other local authorities in the West of Scotland, has traditionally had a high concentration of workless residents claiming Incapacity Benefit. At May 2012, the number of Inverclyde IB claimants was 3,475. The latest available DWP data for existing ESA claims indicates at August 2013, there were 5,970 Inverclyde residents claiming ESA/IB. The nature of the benefit means these claimants are divided into the work related activity group and the support group. Both sets of claimants are in receipt of ESA until their prognosis period ends, which is typically a period of between three to twenty four months. At this point, they are required to have a repeat medical assessment and may well require support from an advice agency as their benefits change or they appeal against the decision of the healthcare assessment.

The ESA re-assessment process is leading to a higher proportion of former Incapacity Benefit claimants to be moved into the work related activity group in Inverclyde compared to the national average.

The latest DWP data covering the period October 2010 – June 2013, indicates that in Inverclyde, 2,080, functional claim assessments were completed and 80 functional claim assessments were not completed. The outcome of claims where functional claims were completed indicates that 1,290 claimants (44%) were moved into the ‘work related activity group’, 1,150 claimants (40%) were moved into the ‘support group’ and 470 claimants (16%) were deemed ‘fit for work’. The Tables released by the DWP also indicated that in Inverclyde, 70 ESA claims were closed prior to...
assessments having been completed and the functional assessments of 40 ESA claims were still in progress. Research by the Department for Work and Pensions suggests most claims are closed due to: ‘the person recovering and either finding work, or claimed a benefit more appropriate to their situation.’

DWP assume that a proportion of claimants will find work before their medical assessment. However, given that many Incapacity Benefit claimants have been in the receipt of the benefit for a significant period and the lack of employment opportunities currently available in the wider labour market, it seems likely that many claimants will cease their claim only to reclaim benefits later.

**Incapacity Benefit claims**

Incapacity Benefit is being replaced by ESA and will be phased out for existing claimants by April 2014. This excludes those residents that reach state pension age before this date. DWP Tables for August 2013, indicate that 5,970 residents are claiming ESA / Incapacity Benefit, of which 5,134 (86%) are aged 59 or below and are therefore likely to be re-assessed as part of the transition to ESA (claims aged over 60 are likely to reach retirement age before they are re-assessed). These provide a likely source of ongoing demand for advice services providers, with Financial Fitness, currently experience an increased volume of support cases related to claims and the associated medical assessments. The transition period from Incapacity Benefit to ESA has generated a significant uplift in demand for advice services nationally and locally. Financial Fitness and Inverclyde CHCP’s Welfare Rights Service have reported uplifts in demand for their services and that ESA appeals and claims are placing significant demand on their advice services. Financial Fitness report that some residents are repeatedly claiming ESA and then presenting for advice and guidance after they have failed an initial Work Capability Assessment.

The ongoing transition of claimants to ESA and the need for periodic Work Capability Assessments mean this scale of demand for advice will, remain constant into the future. As outlined above, previous MCRC research estimated that:

- At August 2013, 2,320 residents were still claiming Incapacity Benefit and were being assessed for ESA;
- National estimates suggest 40% of claims will end in appeal, equating to potentially 928 claimant appeals being made by Inverclyde residents;
- At August 2013, 4,690 Inverclyde residents claimed ESA and will therefore be required to undertake a medical re-assessment within the next three to twenty four months.

The continued demand for advice services resulting from ESA claims will result from the following support needs:

- claimants seeking general advice about the move to ESA and making a claim;
- claimants seeking assistance with the limited capability for work questionnaire (ESA50) which claimants need to complete to determine whether they need to attend a face-to-face medical assessment;
- support to attend a Work Capability Assessment;
- claimants seeking support to appeal against the outcome of the medical assessment;
- debt and housing support for residents who see a reduction in their benefits due to being classified as fit for work.

It is likely that residents will either accept the decision of the Work Capability Assessment, as they feel unable to represent themselves, or present at other service providers for support e.g. Financial Fitness, Inverclyde CHCP’s Welfare Rights Service.
(iii) Disability Living Allowance (DLA) and the Personal Independence Payment (PIP)

Disability Living Allowance is a welfare benefit provided to individuals to help support the additional costs that are incurred by being disabled. Disability Living Allowance is normally provided for individuals that have a mental or physical disability and require caring support as part of their day-to-day life or have walking difficulties.

Disability Living Allowance is being reformed as part of the Government’s drive to reduce the welfare bill, but also because understanding and definitions of disability have changed since the benefit was introduced twenty years ago. Disability Living Allowance will be replaced with a Personal Independence Payment from April 2013 for working age claimants only, with a full reassessment of existing cases beginning in January 2014.

The Personal Independence Payment will have two elements: a daily living component; and a mobility component. For an individual to be able to claim the Personal Independence Payment they must meet the period condition, namely the limited or severely limited conditions must be satisfied six months prior to claiming, and to be likely to continue for a period of at least six months after claiming.

The Personal Independence Payment will be introduced using a similar system of medical and capability tests as those currently being applied to ESA, using a points based system to assess eligibility for benefits. The medical tests are expected to result in a 20% reduction in the costs associated with Disability Living Allowance, and 500,000 fewer UK residents receiving the benefit by 2015.

The scale of Disability Living Allowance claims in Inverclyde

In May 2013, 7,070 Inverclyde residents were in receipt of Disability Living Allowance. At May 2013, the number of Inverclyde residents in receipt of Special Disability Allowance was 410. The Personal Independence Payment is a working age benefit and will be paid to residents aged 16-64 years of age. The current age profile of Inverclyde’s DLA claimants suggest that at least 4,205 current claimants (16-60 years) will still be of working age by 2014. The reassessment of DLA cases is forecast to reduce the number of claimants and the costs involved in supporting disabled residents by 20%. If this rate of reduction is applied to Inverclyde’s cohort of Disability Living Allowance claimants’ that will be working age by 2014, then an estimated 841 residents will no longer be eligible for financial support.
Appendix 2: Summary of Policies Impacting On Employability Provision in Inverclyde

(i) UK Government: ‘Get Britain Working’ – The range of support co-ordinated and delivered by Jobcentre Plus includes:

- **Launched in October 2010, Work Together** helps individuals develop their confidence, experience and skills through volunteering. Those expressing an interest will be signposted to local organisations, online resources or specific volunteering opportunities. Key to delivery of this approach is ensuring that locally Jobcentre Plus has good relationships with organisations in the voluntary and community sector;

- **Work Clubs** - aim to provide a place for unemployed individuals to meet to share experiences, contacts and skills. The rationale is that by sharing local resources and knowledge, jobseekers will be empowered to find work. It is anticipated that a wide range of organisations may establish Work Clubs including businesses and community organisations. Organisations establishing Work Clubs may be able to provide support to attendees, for example, writing a CV, interview techniques, job searching skills, providing an insight into their industry, etc. In the case of both Work Together and Work Clubs, the focus is on making more effective use of existing knowledge, experience, networks and provision;

- **Work Experience** - aim is to provide work placements for young people (18-21). The placements will help them gain the experience they need to move into employment and improve their understanding of the world of work. Placements will last for between 2 and 8 weeks and during the placement, individuals will continue to receive benefits. Travel and childcare expenses can be made available if required;

- The **New Enterprise Allowance** is available to individuals that have been claiming Jobseekers Allowance for 6 months or more and that would like to start their own business. Guidance and support will be available from a business mentor as individuals develop their business idea and get the business up and running. Financial support will be available provided that the business proposition is assessed as viable and having sufficient growth potential to support the individual. The financial support consists of a weekly allowance (roughly equivalent to Jobseekers Allowance for 3 months and then half the value of Jobseekers Allowance for another 3 months) and, where appropriate, a start-up loan of up to £1,000;

- **Enterprise Clubs** - operate in a similar way to Work Clubs providing local, community-based support for unemployed individuals considering starting their own business;

- **Sector based Work Academies (SBWA)** - offer training and work placements to help individuals gain employment in specific sectors;

- **Mandatory Work Activity (MWA)** - aim is to provide guidance to those “disengaged” JSA claimants on the steps required to seek out, secure and retain employment opportunities;

- **JC Plus Youth Contract** is a package of support worth almost £1bn to help young unemployed people to prepare for work and find a job. Key elements of the Youth Contract are the **Wage Incentive** and **Work Experience**. Wage Incentives are worth up to £2,275 per employer when they employ an 18 to 24-year-old from the Work Programme for at least 26 weeks.

Other reforms include the reorganisation of the Jobcentre Plus – reducing the number of districts in Scotland from six to four and Jobcentre Plus District Managers have greater flexibility over how to deploy the resources available, with a ‘Flexibility Fund’ to help facilitate this flexibility.
(ii) Scottish Government Policies Supporting Young People’s Employment and Skills

The context for young people’s employability and skills development in Scotland is provided by the Government’s Economic Strategy, the Employability Strategy for Scotland, the refreshed Skills for Scotland Strategy, the More Choices, More Chance Strategy (which focuses on the 7 Local Authority ‘hotspots’ that included Inverclyde), the 16+ Learning Choices model, the Opportunities for All initiative and the Youth Employment Strategy. The opportunities include: Modern Apprenticeships; Employability Fund opportunities; Community Jobs Scotland; Inspiring Scotland 14-19 Fund and Flexible training opportunities.

Specific employability policies addressing youth unemployment include the following:

‘More Choices, More Chances’ published in 2006 this strategy aims to reduce the proportion of young people not in education, employment or training in Scotland.

‘Careers Information Advice and Guidance Framework’ (2011) aims to support the growth of the economy by enabling people and businesses to develop their knowledge and skills in order to take full advantage of the opportunities open to them. The implementation of the CIAG strategy is overseen by SDS with the specific learning outcome that individuals will have the skills to manage their own careers by ‘exploring options’, ‘making choices’ and ‘realising potential’.

‘Action for Jobs – Supporting Young Scots into Work: Scotland’s Youth Employment Strategy’ published in June 2012 aims to provide young people the opportunity to channel their talent, enthusiasm and energy into sustainable and rewarding employment. Over the three years of the current spending review period, the Scottish Government has made available an additional £30 million of funding to support youth employment policies. The Strategy highlights the importance of ensuring that policy and spending decisions encourage the creation of opportunities for young people, and of working with local authorities, employers and third sector organisations to ensure effective use of resources. The strategy aims to provide, co-ordinate and support as many opportunities as possible to help young people in Scotland gain a job and make progress in work. The strategy identifies a number of key themes including effective engagement with employers, strengthening support for young people in their journey to work and ensuring a cross-government, all-Scotland approach to supporting youth employment.

‘Opportunities for All’ is aimed at 16-19 year olds. It ensures that every 16 – 19 year old in Scotland will be offered a training place if they are not in already in a job, education or a Modern Apprenticeship. This commitment is aimed at the estimated 35,000 16-19 year olds in Scotland who are not in work, education or training and builds on activity underway through 16+ Learning Choices and wider youth employment work. The Youth Employment Strategy states that Opportunities for All will take the 16+ Learning Choices approach to the next level, with a focus on continuing engagement in education and training for those 16-19 year olds at greatest risk of becoming long term unemployed.

‘16+ Learning Choices’ aim is to give every young person moving into the Senior Phase of the Curriculum for Excellence the guarantee of an offer of post-16 learning. Local authorities have been given the lead role in developing a partnership approach and the initiative also involves schools, community learning and development, FE Colleges, SDS, training providers and the third sector. The intention is for local authorities, working in partnership with schools and SDS, to identify and track vulnerable young people and ensure that they have an offer of learning. If this learning ends before a person is 18, SDS will try to find them another offer. If no alternative offer is available SDS will provide them with information, advice and guidance.

‘Modern Apprenticeships’ MAs are available across all sectors through SDS and they are co-designed with the relevant Sector Skills Council. Amongst the MA frameworks of relevance to
Inverclyde are financial/business services, hospitality and tourism. Additional support is available at the national level for MAs through the Employer Recruitment Incentive for Targeted Young People (which offers employers up to £1500 when they take on an apprentice) and Adopt an Apprentice which can help employers with the costs of apprenticeship. Support may also be sourced locally through More Choices, More Chances programme.

**Skills Development Scotland (SDS)** has developed the ‘My World of Work’ online careers information and guidance service, as well as SDS’s face-to-face and telephone services and its ‘Youth Coaching’ employability service. Support is also available from UK-wide Jobcentre Plus advisers but only for those on Jobseekers Allowance. Financial incentives to encourage employers to recruit and train young people are available through the Scottish Government’s ‘Adopt an Apprentice’ scheme and Employer Recruitment Incentive (now focused on targeted young people) and through the DWP’s Work Programme. A Commission for Developing Scotland’s Young Workforce was established by the Scottish Government in January 2013 charged with bringing forward a range of recommendations designed to improve young people’s transition into employment. The Commission will publish its final recommendations in the second quarter of 2014. The Department for Work and Pensions (DWP) operates a number of UK-wide schemes to tackle youth unemployment, as part of ‘Get Britain Working’, including the ‘Work Experience’ scheme.

**Skills Development Scotland – Employability Fund** – As part of the ongoing development of the work of SDS, a new Employability Fund was introduced in 2013/2014. The programme brings together a number of national training programmes (Get Ready for Work and Training for Work) and provides flexible training support which responds to the needs of employers and local labour markets. The Employability Fund is delivered in partnership with training providers and colleges, with a range of providers appointed in Inverclyde. However, it is clear that consideration requires to be given to how this will operate within the area as part of the integrated employability support for young people. The Employability Fund will complement the other range of services currently being delivered by SDS.

**Skills Development Scotland – Employer Engagement** – During 2013, SDS has appointed a number of staff to lead the work on improving employer engagement. The aim of the programme is to develop closer working relationships with local employers and support them to access the range of support available through SDS including Modern Apprenticeships, etc. The Employer Engagement Programme is at an early stage of roll out across Scotland, but it is important to recognise this development as part of the support infrastructure in Inverclyde.

(iii) **Local Policies Relating to Employability Provision**

**Inverclyde Community Plan ‘Inspiring Inverclyde’ 2008-2018**

The Inverclyde Community Plan provides a long-term vision to develop a confident, inclusive Inverclyde, with safe, sustainable, healthy, caring communities, a thriving prosperous local economy, where everyone is encouraged to achieve their potential and make a positive contribution to the Inverclyde area. A number of headline strategic outcomes have been identified, including: the development of skills for people to progress in work; support for those furthest from the labour market; and the development of a thriving business community that will support the integration of those individuals furthest from the labour market.


The Inverclyde (SOA) reflects the commitments within the Inverclyde Community Plan and focuses on a number of key strategic priorities including: Coping with De-Industrialisation; Employment; Poverty; Deprivation and Area Renewal. The Inverclyde SOA also outlines locally defined strategic
outcomes including, an increase in economic activity that is complemented by skills development to assist both people in work and furthest from the labour markets to realise their full potential.

**Inverclyde Economic Regeneration Development Strategy 2009-2014**

This 5 year joint strategy between Inverclyde Council and community planning partners sets out four strategic themes to address the socio-economic challenges facing the Inverclyde area and to exploit the area’s strengths and opportunities. The four strategic themes identified by partner organisations are:

- People – confident, skilled and enterprising communities
- Business – attract, create and develop modern and competitive businesses
- Place – an exciting place in which to work, live, visit and invest
- Partnership – facilitate and influence partnerships to maximise the evolving employability structures e.g. Inverclyde Construction Plus Partnership

**Inverclyde Construction Plus Partnership (ICPP) 2008**

The Inverclyde Construction Plus Partnership was based around a working partnership of key agencies that have inputs into supply and demand-side construction activity. The lead partners were Inverclyde Council (Economic and Social Regeneration) supported by Skills Development Scotland who manage the ICPP, provide support to the Single Point of Contact (SPOC) and reports on the progress made on the ICPP programme objectives and outputs.

The organisations that were involved in the demand-side of construction activity were Inverclyde Council, Riverside Inverclyde and River Clyde Homes. The organisations that were involved in the supply-side of construction activity are Jobcentre Plus, SDS (Careers Scotland), Construction Skills, James Watt College and Action for Children. The Inverclyde Construction Plus Partnership’s main objectives are:

- To secure the maximum number of job and training opportunities from the increased construction activity currently underway (e.g. construction activities being developed by River Clyde Homes, Riverside Inverclyde, Inverclyde Council, Oak Tree Housing Association) in Inverclyde for those disadvantaged in the Inverclyde labour market who want to work and;
- To co-ordinate existing (employability) provision in Inverclyde;
- To develop a strategic framework for community benefits from procurement (A key element of the Partnership’s activities is to encourage contractors, through the inclusion of ‘community benefit clauses’ in contracts to offer employment and/or training opportunities for local residents);
- To create additional opportunities at all levels from General Building Operatives (GBO) to Modern Apprenticeships;
- To promote an increase in local skills pool for construction activity;
- To develop and assist local people into employment opportunities;
- To support the development of a recruitment mechanism for construction companies;
- To promote opportunities for local school and college students to be involved in and influence the design and construction of new schools.
- The Inverclyde Community Development Trust's Employability Service was ascribed the role of first (single) point of contact for companies requiring construction staff. The Trust's Employability Services role as SPOC includes:
  - Receiving notification of vacancies;
• Identifying appropriate training and pre-recruitment screening;
• Liaison with partner organisations and share vacancies as appropriate;
• Monitoring uptake of training and employment opportunities; and
• Reporting to partners on demonstrable achievements and outcomes attributable to the Inverclyde Construction Plus Partnership Agreement and partners activities.

**Inverclyde Integrated Employability Programme (2008-2016)**

Since October 2008, the Inverclyde Alliance has overseen the delivery of the ‘Inverclyde Integrated Employability Programme’ that encompasses the stated objectives and outcomes of Inverclyde’s Community Plan and Single Outcome Agreement. To-date the main activities delivered through the Inverclyde Integrated Employability Programme have included:

• The provision of a wide range of employability services contracted to and delivered by Inverclyde Community Development Trust (ICDT). The value of this contract is £2.3 M.
• The application of £1.56 M Future Jobs Fund (FJF) to employ 240 people over 18 months with jobs available in Environmental; Construction; Health & Leisure; Culture and Youth Services. Through the Future Job Fund programme, individuals received 6 months of work (paid above the minimum wage rate) and also the opportunity to acquire accredited training certificates/qualifications.
• Allocating FSF and ERDF funding to develop existing Job Brokerage activity and the expansion of ‘Single Point of Contact’ (SPOC) model currently operating within Inverclyde for the construction sector.

Extending the SPOC model into additional sectors, providing a resource dedicated to and focussed on working with local employers to address their skill shortages and training needs, enabling the Inverclyde CPP to build and maintain strong working relationships with a large number of companies able to provide work experience, work trials, and jobs to local people supported via ESF and/or Inverclyde Alliance’s ‘Youth Employment Action Plan 2012-2015’

Inverclyde Council and its community planning partners (including Skills Development Scotland, West College, Jobcentre Plus, Inverclyde Chamber of Commerce and Inverclyde Community Development Trust) have identified tackling youth unemployment as a key objective. The implementation of the Action Plan is overseen by the multi-agency ‘Opportunities for All’ working group. The following broad areas of activity have been identified as key targets in tackling youth unemployment:

• Increase employment opportunities for young people aged 16-24;
• Assist young people to access training and employment;
• Target vulnerable groups of young people to help them access training and employment;
• Maximise opportunities and participation rates in education and learning to increase the levels of skills and qualifications;
• Promote partnership working and data sharing;

**Inverclyde Council’s Employer Plus Wage Subsidy**

To help small/medium sized companies to grow, Inverclyde Council operates a wage subsidy programme, to encourage employers to create new jobs for local young people. The Employer
Plus Wage Subsidy is available to pay half of the national minimum wage for the age of the young person employed, payable for up to a maximum of 26 weeks. Jobs must be for a minimum of 25 hours per week and no more than 40 hours per week. Jobs must be for a period of 26 weeks or more, be additional to the existing workforce and must not replace positions that would otherwise be filled. The EPWS can be used to support a new Modern Apprentice place.

The programme is open to young people who live in Inverclyde aged 18-24 years and who have been unwaged or unemployed for less than six months. In addition to the financial incentive on offer, support is also available from the Employer Engagement Plus (EEP) Team, which can include identification of suitable candidates, assistance in the selection and interview process and support to prepare job descriptions and a contract of employment. This type of support is often essential in helping a small/medium sized business to take the initial step to increase its workforce.

_Inverclyde SOA ‘Getting it Right for Every Child, Citizen & Community: A Nurturing Inverclyde’ - 2013-2017._ The SOA describes how community planning partners combined actions will contribute to the economic and social regeneration of Inverclyde. The revised SOA identifies a number of strategic local outcomes that contribute to employability agenda within Inverclyde, these include:

SOA 3: “The area’s economic regeneration is secured, economic activity in Inverclyde is increased, and skills development enables both those in work and those furthest from the labour market to realise their full potential”;

SOA 6: “A nurturing Inverclyde gives all our children and young people the best possible start in life”;

SOA 8: “Our public services are of high quality, continually improving, efficient and responsive to local people’s needs”.

_Inverclyde Economic Development & Regeneration Operating Plan 2014-2017_ published in March 2014, the plan effectively replaces Inverclyde Council’s Economic Regeneration Action Plan 2011-2014 and Riverside Inverclyde’s (ri) Business Plan 2012-2017. Six key priorities have been identified for Inverclyde:

- Priority 1 - To grow and diversify the business base;
- Priority 2 - To increase Inverclyde’s capacity to accommodate private sector jobs;
- Priority 3 - To boost skill levels and reduce worklessness;
- Priority 4 - To accelerate the regeneration of strategic employment sites and town centers;
- Priority 5 - To progress the renewal and economic regeneration of the most disadvantaged areas of Inverclyde; and
- Priority 6 - To co-ordinate action and investment with partners

The six priorities are seen as supporting the goal of creating a more competitive Inverclyde through supporting business growth, investment, and job creation. Investment by Inverclyde Council and ri will be targeted on a small number of projects within the six priorities, in line with the key strategic themes of business, people, place and partnership.
The strategic aim of Priority 3 is to support local residents (including young people), to develop employability and vocational skills and link them with new job opportunities in Inverclyde and the wider City Region economy. The Operating Plan indicates that the Council’s regeneration team will have the responsibility for the delivery of employability services and the focus on vocational training and higher skills level support for growth sectors, including the apprenticeship programme. The Operational Plan proposes a range of employability and job creation schemes to address unemployment in Inverclyde that would include:

- Youth employment initiatives
- Employability services delivered by the Council
- Other employability services contracted to third parties to deliver through the Regeneration Fund
- Local labour projects / community benefit clauses
- Youth Employment Fund contract (previously Get Ready for Work)

The total indicative funding allocated to supporting the delivery of employability and vocational skills for 2014 -2017 is £7,906,500. (£6,910,000 - allocated to Employability/ Future Jobs Fund and £996,550 allocated for vocational training & development).
Appendix 3

Analysis of Inverclyde’s Labour Market

3.1 Introduction

Inverclyde has been subject to a process of significant de-industrialisation that has shifted economic activity away from traditional shipbuilding and heavy engineering towards public and service sectors. Local employment has been more reliant upon the manufacturing sector than Scotland as whole, with many jobs low skilled. However, manufacturing employment has decreased by approximately 40% since 1999. Inverclyde’s economic base continues to be ‘narrow’ and ‘self-contained’, is over reliant on shrinking public sector (public administration, education and health), ‘vulnerable’ electronics and call centre industries as a source of local employment. Currently, 55% of all jobs in the Inverclyde area are located in large-sized companies. Recent economic forecasts suggest that the long-term growth of the Inverclyde economy will remain below that of Scotland unless significant restructuring of the local economy occurs.

Labour market conditions have changed significantly since the publication of the Scottish Government’s ‘Workforce Plus Strategy’ in July 2006. This section of the report will analyse how these have changed in Inverclyde using published data on benefit claimants, employment and vacancies. Trends will be examined over the time period April 2008 to March 2014, reflecting the date of establishment of the Inverclyde Integrated Employability Programme and the latest available DWP data.

3.2 Economic context

The UK economy is recovering from the biggest financial crisis in generations, which led to one of the deepest recessions of any major economy. Signs of recovery are now starting to emerge with positive growth in 2013. Forecasters also expect this growth to continue and strengthen. The Office for Budgetary Responsibility economic and fiscal outlook is forecasting steady year on year increases in growth. Its expectation is that growth will rise to 2.6% of GDP by 2017. During the recession the level of employment remained resilient, although the rate of employment fell. The employment rate is now increasing and unemployment is falling. At March 2014, the employment rate for those aged 16 and over in Scotland is 72.9% which is the highest rate since 2009 (November – January 2009 73.3%). The unemployment rate for those aged 16 and over in Scotland is 6.9% (March 2014). This unemployment rate is lower than the UK rate of 7.2% and lower than the EU average of 10.8%. The Scottish unemployment rate fell by 0.5 percentage points in the past year. The number of people unemployed in Scotland is 190,000, a decrease of 9,000 over the past year.

3.3 Inverclyde Employment Rate and Levels: Jan-Dec 2006 to Jan-Dec 2013

Table 3.1 below provides an overview of employment rates and levels for Inverclyde compared to Scotland as a whole for the period 2006 to 2013.
Table 3.1: Employment Rates and Levels for Inverclyde compared to Scotland as a whole, 2006-2013.

<table>
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<tr>
<th>Geography</th>
<th>2006</th>
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<th>2011</th>
<th>2012</th>
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<tr>
<td>Scotland</td>
<td>73.6%</td>
<td>73.8%</td>
<td>73.5%</td>
<td>71.9%</td>
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<td>70.7%</td>
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<td>70.4%</td>
<td>66.7%</td>
<td>70.5%</td>
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<td>34,900</td>
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<td>35,000</td>
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</table>

Source: Annual Population survey (Jan to Dec) - Employment rates and levels cover population aged 16-64


Table 3.2: Employment Rates and Levels by Age Group for Inverclyde, 2012.

<table>
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<tr>
<th></th>
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<td>Rate</td>
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<tr>
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<td>53.2%</td>
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<td>Inverclyde</td>
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<td>4,400</td>
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<td>6,100</td>
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</tbody>
</table>

Source: Annual Population survey (Jan to Dec) - Employment rates and levels cover population aged 16-64

3.3 Inverclyde Economic Inactivity Rates and Levels: Jan-Dec 2006 to Jan-Dec 2013.

Table 3.3 below provides an overview of economic inactivity rates and levels for Inverclyde compared to Scotland as a whole for the period 2006 to 2013.
Table 3.3: Economic Inactivity Rates and Levels for Inverclyde compared to Scotland as a whole, 2006-2013.

<table>
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<tr>
<th>Geography</th>
<th>2006</th>
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<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>22.7%</td>
<td>22.5%</td>
<td>22.6%</td>
<td>22.6%</td>
<td>23.0%</td>
<td>23.0%</td>
<td>23.1%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Inactivity Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inverclyde</td>
<td>24.3%</td>
<td>26.9%</td>
<td>25.2%</td>
<td>26.1%</td>
<td>23.3%</td>
<td>22.7%</td>
<td>26.0%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Inactivity Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inactivity Level</td>
<td>12,700</td>
<td>14,100</td>
<td>13,200</td>
<td>13,300</td>
<td>11,900</td>
<td>11,500</td>
<td>11,700</td>
<td>12,600</td>
</tr>
</tbody>
</table>

Source: Annual Population survey (Jan to Dec) – Inactivity rates and levels cover population aged 16-64

Currently 24.2% of people aged between 16 and 64 in Inverclyde are not active in the labour market, just above the 23.0% rate in the Scotland as a whole (January - December 2013). The number of economically inactive Inverclyde residents between 2006 and 2013 has remained relatively static. However, there has been a 7.7% increase in the inactivity levels between 2012 and 2013, rising from 11,700 economically inactive people to 12,600 respectively.

There are many reasons why an individual may need to be inactive in the labour market, and not all are problematic. The main reasons include looking after family and home, full-time education, long-term sickness and retirement. The number inactive because of full-time education has increased over the past year, while numbers inactive because of the other reasons have declined. Increasing the number of people actively seeking work is likely to help to boost the employment rate.

The fall in unemployment is happening alongside welfare reform to transfer unemployed people off ‘passive’ benefits (where no conditionality is attached) and onto ‘active’ benefits (where claimants are obliged to seek employment). Employment is lower among groups who are at a disadvantage in the labour market including young people, disabled people, people from some ethnic minorities and older people. Lack of qualifications and skills is a major barrier to work for many people. Since the economic downturn in 2008, the employment rate has decreased the most for those with qualifications at level SVQ 2 or below. Individuals with no qualifications have an employment rate of around 40%. Those with an additional disadvantage fare worst: only 32.1% of disabled people who do not have a level SVQ 2 qualification are employed compared to 63.4% of disabled people with a qualification at level 2 or higher.
3.4 Unemployment in Inverclyde

3.5 Claimant Count Unemployment

The Claimant Count records the number of people claiming Jobseekers Allowance (JSA) and National Insurance Credits at Jobcentre Plus local offices. This is not an official measure of unemployment but does provide accurate information on the labour market at a local level.

The current level and gender of JSA claimants is provided in Table 3.5 below.

Table 3.5 Total JSA Claimants (March 2014)

<table>
<thead>
<tr>
<th></th>
<th>Inverclyde (numbers)</th>
<th>Inverclyde (%)</th>
<th>Scotland (%)</th>
<th>Great Britain (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All people</td>
<td>2,065</td>
<td>4.0</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Males</td>
<td>1,494</td>
<td>5.9</td>
<td>4.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Females</td>
<td>571</td>
<td>2.1</td>
<td>2.0</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Source: ONS claimant count with rates and proportions. % is a proportion of resident population aged 16-64 and gender

At March 2014, the claimant count unemployment rate for Inverclyde was 4.0% with both male and female claimant rates exceeding the respective claimant rates for Scotland as a whole.

Table 3.6: JSA Claimants by Gender, Age & Duration, Inverclyde April 2008, 2010, 2012 & March 2014

<table>
<thead>
<tr>
<th></th>
<th>April 2008</th>
<th>April 2010</th>
<th>April 2012</th>
<th>March 2014</th>
<th>April '08 – March '14</th>
<th>% Change</th>
<th>April '12 – March 14</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No. of Claimants</td>
<td>1,865</td>
<td>2,578</td>
<td>2,967</td>
<td>2,065</td>
<td>200</td>
<td>10.7</td>
<td>-902</td>
<td>-30.4</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 25</td>
<td>560</td>
<td>775</td>
<td>875</td>
<td>505</td>
<td>-55</td>
<td>-9.8</td>
<td>-370</td>
<td>-42.3</td>
</tr>
<tr>
<td>25-49</td>
<td>1010</td>
<td>1,365</td>
<td>1,615</td>
<td>1,130</td>
<td>120</td>
<td>11.9</td>
<td>-485</td>
<td>-30.0</td>
</tr>
<tr>
<td>50-64</td>
<td>295</td>
<td>420</td>
<td>455</td>
<td>415</td>
<td>120</td>
<td>40.7</td>
<td>-40</td>
<td>-8.8</td>
</tr>
<tr>
<td>Duration 16-64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 6 Months</td>
<td>1360</td>
<td>2,050</td>
<td>1,765</td>
<td>1,330</td>
<td>-30</td>
<td>-2.2</td>
<td>-435</td>
<td>-24.6</td>
</tr>
<tr>
<td>6-12 Months</td>
<td>325</td>
<td>430</td>
<td>565</td>
<td>240</td>
<td>-85</td>
<td>-26.1</td>
<td>-325</td>
<td>-57.5</td>
</tr>
<tr>
<td>&gt; 12 Months</td>
<td>180</td>
<td>315</td>
<td>635</td>
<td>485</td>
<td>305</td>
<td>169.4</td>
<td>-150</td>
<td>-23.6</td>
</tr>
</tbody>
</table>

The change in claimant count unemployment over the period April 2008 to March 2014 increased by 10.7 %. However, between April 2010 to March 2014, there was a 30.4% decrease in the unemployment claimant count. Over the latter period, the number of male claimants fell by 660 (-30.6%) and the number of female claimants fell by 242 (-29.6%).
Over the period April 2008 – March 2014, the number of under 25 year old claimants fell 55 (-9.8%). However, during the period April 2012 to March 2014, the number of under 25 year old claimants fell by 370 (-42.3%).

Over the period April 2008 – March 2014, the number of 25-49 year old and 50-64 year old claimants rose by 11.9% and 40.7% respectively. During the period April 2012 to March 2014, the number of 25-49 year old and 50-64 year old claimants fell by -30.0% and -8.87% respectively.

At March 2014, 1330 (64.4%) claimants were claiming JSA for less than 6 months, 240 (11.6%) claimants were claiming JSA for 6-12 months and 415 (20.1%) claimants were claiming JSA for over 12 months. Those claimants claiming JSA for over 12 months rose from 180 claimants in April 2008 to 635 claimants in April 2012, a 71.6 % increase in long-term unemployment for this period. Over the subsequent period April 2012 to March 2014, the number of claimants claiming JSA for over 12 months fell from 485 claimants to 305 claimants (-23.6%).

Table 3.7: JSA Claimants by Age & Duration, Inverclyde April 2008, 2010, 2012 & March 2014

<table>
<thead>
<tr>
<th>April 2008</th>
<th>April 2010</th>
<th>April 2012</th>
<th>March 2014</th>
<th>April '08 – March’14 Change</th>
<th>% Change</th>
<th>April '12 – March’14 Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age Under 25</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 6 Months</td>
<td>490</td>
<td>630</td>
<td>615</td>
<td>405</td>
<td>-85</td>
<td>-17.3</td>
<td>-210</td>
</tr>
<tr>
<td>6-12 Months</td>
<td>65</td>
<td>110</td>
<td>165</td>
<td>60</td>
<td>-5</td>
<td>-7.7</td>
<td>-105</td>
</tr>
<tr>
<td>&gt; 12 Months</td>
<td>5</td>
<td>35</td>
<td>95</td>
<td>40</td>
<td>35</td>
<td>700</td>
<td>-55</td>
</tr>
<tr>
<td><strong>Age 25-49</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 6 Months</td>
<td>670</td>
<td>920</td>
<td>870</td>
<td>670</td>
<td>0</td>
<td>0</td>
<td>-200</td>
</tr>
<tr>
<td>6-12 Months</td>
<td>200</td>
<td>250</td>
<td>325</td>
<td>145</td>
<td>-55</td>
<td>-27.5</td>
<td>-180</td>
</tr>
<tr>
<td>&gt; 12 Months</td>
<td>140</td>
<td>195</td>
<td>420</td>
<td>315</td>
<td>175</td>
<td>125</td>
<td>-105</td>
</tr>
<tr>
<td><strong>Age 50 +</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 6 Months</td>
<td>180</td>
<td>270</td>
<td>260</td>
<td>250</td>
<td>70</td>
<td>38.9</td>
<td>-10</td>
</tr>
<tr>
<td>6-12 Months</td>
<td>60</td>
<td>65</td>
<td>75</td>
<td>35</td>
<td>-25</td>
<td>-41.7</td>
<td>-40</td>
</tr>
<tr>
<td>&gt; 12 Months</td>
<td>55</td>
<td>85</td>
<td>120</td>
<td>130</td>
<td>75</td>
<td>136.4</td>
<td>10</td>
</tr>
</tbody>
</table>

Tables 3.6 and 3.7 above, indicate that during the reference period (April 2008-March 2014):

- There has been a slight decrease in the number of claimants aged under 25 claiming Jobseekers Allowance (9.8% decrease);
- There has been a slight increase in the number of clients aged 25-49 claiming Jobseekers Allowance (11.9% increase);
- There has been a significant increase in the number of clients aged over 50 Years claiming Jobseekers Allowance (40.7% increase);
- There has been an increase in the number of females claiming Jobseekers Allowance (47.5% increase);
- However, there has been a significant fall in the numbers of individuals that have claimed Jobseekers Allowance between April 2012 and March 2014 (30.4% decrease);
- There has been a significant decrease in the number of male and female claimants between April 2012 and March 2014,(30.6% and 29.8% decreases respectively );
There has been a substantial increase in the numbers of claimants aged 25-49 that have been on Jobseekers Allowance for over 12 months (125% increase);

There has been a substantial increase in the numbers of claimants aged over 50 that have been on Jobseekers Allowance for over 12 months (136% increase);

### 3.4 Key Out-of-Work Benefits

As indicated in Tables 3.8 and 3.9 below, prior to the commencement of the recession in mid-2008, Inverclyde had been making progress in reducing the total number of DWP benefit claimants and the total numbers claiming DWP out-of-work benefits (e.g., Jobseekers Allowance, Incapacity Benefit, Employment and Support Allowance, Income Support)

**Table 3.8: DWP Benefit Claimants*, Inverclyde**

<table>
<thead>
<tr>
<th></th>
<th>Inverclyde (numbers)</th>
<th>Inverclyde (%)</th>
<th>Scotland (%)</th>
<th>Great Britain (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2006</td>
<td>12,420</td>
<td>23.3</td>
<td>16.5</td>
<td>13.8</td>
</tr>
<tr>
<td>May 2007</td>
<td>11,180</td>
<td>22.1</td>
<td>15.8</td>
<td>13.4</td>
</tr>
<tr>
<td>May 2008</td>
<td>11,600</td>
<td>21.7</td>
<td>15.3</td>
<td>13.1</td>
</tr>
<tr>
<td>May 2009</td>
<td>12,120</td>
<td>22.8</td>
<td>16.7</td>
<td>14.8</td>
</tr>
<tr>
<td>May 2010</td>
<td>11,740</td>
<td>22.2</td>
<td>16.6</td>
<td>14.5</td>
</tr>
<tr>
<td>May 2011</td>
<td>11,760</td>
<td>22.3</td>
<td>16.2</td>
<td>14.3</td>
</tr>
<tr>
<td>May 2012</td>
<td>11,740</td>
<td>22.6</td>
<td>16.3</td>
<td>14.5</td>
</tr>
<tr>
<td>May 2013</td>
<td>11,440</td>
<td>22.0</td>
<td>15.7</td>
<td>13.9</td>
</tr>
<tr>
<td>August 2013</td>
<td>11,170</td>
<td>21.5</td>
<td>15.4</td>
<td>13.6</td>
</tr>
</tbody>
</table>

Source: NOMIS – DWP Benefit Claimants – Working Age Client Group

* Note: % is a proportion of resident population of area aged 16-64

Over the two years prior to the recession in 2008, progress was being made in reducing the number of Inverclyde residents claiming working-age benefits. The number of claimants rose in 2009 and remained relatively static until 2013. Despite reductions in the total number of DWP benefit claimants, 21.5% of Inverclyde’s working age population are claiming benefits compared to 15.4% of the Scottish working age population.

**Table 3.9: Key Out-of-Work Benefit Claimants*, Inverclyde**

<table>
<thead>
<tr>
<th></th>
<th>Inverclyde (numbers)</th>
<th>Inverclyde (%)</th>
<th>Scotland (%)</th>
<th>Great Britain (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2006</td>
<td>11,030</td>
<td>20.7</td>
<td>14.2</td>
<td>11.7</td>
</tr>
<tr>
<td>May 2007</td>
<td>10,440</td>
<td>19.6</td>
<td>13.3</td>
<td>11.2</td>
</tr>
<tr>
<td>May 2008</td>
<td>10,190</td>
<td>19.1</td>
<td>12.9</td>
<td>11.0</td>
</tr>
<tr>
<td>May 2009</td>
<td>10,700</td>
<td>20.2</td>
<td>14.3</td>
<td>12.6</td>
</tr>
<tr>
<td>May 2010</td>
<td>10,260</td>
<td>19.4</td>
<td>14.1</td>
<td>12.2</td>
</tr>
<tr>
<td>May 2011</td>
<td>10,170</td>
<td>19.3</td>
<td>13.7</td>
<td>11.9</td>
</tr>
<tr>
<td>May 2012</td>
<td>10,100</td>
<td>19.4</td>
<td>13.7</td>
<td>11.9</td>
</tr>
<tr>
<td>May 2013</td>
<td>9,670</td>
<td>18.6</td>
<td>12.9</td>
<td>11.2</td>
</tr>
<tr>
<td>August 2013</td>
<td>9,390</td>
<td>18.0</td>
<td>12.6</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Source: NOMIS – DWP Benefit Claimants – Working Age Client Group

* Note: % is a proportion of resident population of area aged 16-64

As indicated above, at August 2013, 18.0% of Inverclyde’s working age population were claiming key out-of-work benefits, compared to 12.6% of the Scottish working age population. Reducing the total number of Inverclyde residents claiming key out-of-work benefits remains a significant challenge to the Inverclyde Employability Partnership.
3.5 Changing Nature of Client Claimant Groups

Table 3.10 below highlights the changes in the numbers claiming the key out-of-work benefits over the last 6 years. Table 3.10 indicates that:

- There was a rise in the numbers claiming the key out-of-work benefits rising from 9,916 claimants in May 2008 to 10,260 claimants in May 2010 (3.5% increase);
- There was a fall in the numbers claiming the key out-of-work benefits rising from 10,260 claimants in May 2010 to 9,390 claimants in August 2013 (8.5% decrease);
- There was a significant increase in the number of Jobseeker Allowance claimants between May 2008 and May 2012 (52.0% increase);
- There was a fall in the numbers claiming Jobseekers Allowance in May 2012 compared to the number of claimants in August 2013 (17.2% decrease);
- Despite the fact the reference period covers the economic recession, Inverclyde has made progress in reducing the total numbers claiming key out-of-work benefits:
  - Overall there have been significant percentage decreases in the numbers claiming Jobseekers Allowance and Lone Parent benefits.
  - However, there has been a very small decrease in the numbers claiming Incapacity Benefit/ Employment and Support Allowance reflecting the age and health of these benefit recipients.


<table>
<thead>
<tr>
<th>Client Group</th>
<th>May 2008</th>
<th>May 2010</th>
<th>May 2012</th>
<th>August 2013</th>
<th>May'08 – Aug’13</th>
<th>May ‘12 – Aug’13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change %</td>
<td>Change %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Seekers</td>
<td>1,836</td>
<td>2,350</td>
<td>2,790</td>
<td>2,310</td>
<td>-474</td>
<td>-25.8</td>
</tr>
<tr>
<td></td>
<td>-480</td>
<td>-17.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESA &amp; Incapacity Benefits</td>
<td>6,360</td>
<td>6,360</td>
<td>6,070</td>
<td>5,970</td>
<td>-390</td>
<td>-6.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-1.6</td>
</tr>
<tr>
<td>Lone Parents</td>
<td>1,380</td>
<td>1,230</td>
<td>990</td>
<td>860</td>
<td>-520</td>
<td>-37.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>130</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-13.1</td>
</tr>
<tr>
<td>Others on Income Related</td>
<td>340</td>
<td>320</td>
<td>260</td>
<td>250</td>
<td>-90</td>
<td>-26.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-3.8</td>
</tr>
<tr>
<td>Total No. Out-of-Work Benefit</td>
<td>9,916</td>
<td>10,260</td>
<td>10,110</td>
<td>9,390</td>
<td>-1,474</td>
<td>-14.9</td>
</tr>
<tr>
<td>Claimants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-720</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-7.1</td>
</tr>
</tbody>
</table>

Source: NOMIS on 1 April 2014

3.6 Current Profile of Benefit Claimants

Table 3.11 below provides an overview of Inverclyde’s current benefit claimants. Understanding the composition of the workless population will help to inform the Inverclyde Employability Partnership targeting of employability services. Table 3.11 below indicates that:

- At August 2013, there were 11,170 working age adults in Inverclyde claiming DWP benefits. This is equivalent to 21.4% % of the working age population;
- At August 2013, there were 9,390 working age adults in Inverclyde claiming DWP out-of-work benefits. This is equivalent to 18.0 % of the working age population;
- As in the previous five years, Incapacity Benefit / Employment and Support Allowance claimants are the largest group. There were 5,970 claimants, accounting for 63.6% of the total number of out-of-work benefit claimants;
• The next largest claimant group were Jobseekers Allowance claimants, with 2,310 claimants, accounting for 24.6% of the total number of out-of-work benefit claimants;

Table 3.11: Benefit Claimants by Working Age Client Group, August 2013

<table>
<thead>
<tr>
<th>Aged</th>
<th>Total</th>
<th>Job Seeker</th>
<th>ESA &amp; IB</th>
<th>Lone Parent</th>
<th>Other on Income Related Benefit</th>
<th>Out-of-Work Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>1,540</td>
<td>630</td>
<td>320</td>
<td>310</td>
<td>40</td>
<td>1,300</td>
</tr>
<tr>
<td>Aged 25-34</td>
<td>1,970</td>
<td>620</td>
<td>810</td>
<td>360</td>
<td>10</td>
<td>1,790</td>
</tr>
<tr>
<td>Aged 35-44</td>
<td>2,130</td>
<td>430</td>
<td>1,220</td>
<td>140</td>
<td>10</td>
<td>1,800</td>
</tr>
<tr>
<td>Aged 45-54</td>
<td>2,890</td>
<td>400</td>
<td>1,860</td>
<td>40</td>
<td>10</td>
<td>2,320</td>
</tr>
<tr>
<td>Aged 55-59</td>
<td>1,500</td>
<td>170</td>
<td>1,030</td>
<td>10</td>
<td>10</td>
<td>1,220</td>
</tr>
<tr>
<td>Aged 60-64</td>
<td>1,150</td>
<td>50</td>
<td>720</td>
<td>-</td>
<td>190</td>
<td>960</td>
</tr>
<tr>
<td>Unknown Age</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Column Total</td>
<td>11,170</td>
<td>2,310</td>
<td>5,970</td>
<td>860</td>
<td>250</td>
<td>9,390</td>
</tr>
</tbody>
</table>

Source: NOMIS on 1 April 2014

3.7 Young People

When the Scottish Government’s ‘More Choices, More Chances’ strategy was published in 2008, Inverclyde ranked as the 6th worst performing local authority in Scotland. As indicated in table 3.12 below, the number of young people identified as NEET (not in education, employment or training) increased over the period 2007 - 2011.

Table 3.12 Level and Rate of Known NEET in Inverclyde and Scotland: 2007 to 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inverclyde</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level</td>
<td>370</td>
<td>400</td>
<td>420</td>
<td>400</td>
<td>430</td>
<td>60</td>
<td>16.2</td>
</tr>
<tr>
<td>Rate</td>
<td>8.6%</td>
<td>9.4%</td>
<td>10.2%</td>
<td>10.0%</td>
<td>11.2%</td>
<td>2.6</td>
<td>-</td>
</tr>
<tr>
<td>Scotland</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level</td>
<td>20,840</td>
<td>23,290</td>
<td>26,290</td>
<td>25,170</td>
<td>25,160</td>
<td>4,320</td>
<td>20.7</td>
</tr>
<tr>
<td>Rate</td>
<td>7.9%</td>
<td>8.8%</td>
<td>10.0%</td>
<td>9.6%</td>
<td>9.7%</td>
<td>1.8</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: School Leavers Destination Publication, DWP

The above figures reflect the high levels of youth unemployment within Inverclyde and Scotland as whole during the period 2007-2011.

Table 3.13 below provide a breakdown of MCMC claimants by age for the period October 2010-October 2012.

Table 3.13 Inverclyde- Claimant Count for MCMC Group, October 2010-2012

<table>
<thead>
<tr>
<th>Claimant</th>
<th>October 2010</th>
<th>October 2011</th>
<th>October 2012</th>
<th>October 2010-12</th>
<th>October 2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change</td>
<td>% Change</td>
<td>Change</td>
<td>% Change</td>
<td></td>
</tr>
<tr>
<td>Under 17</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>-5</td>
<td>0</td>
</tr>
<tr>
<td>Aged 17</td>
<td>15</td>
<td>0</td>
<td>10</td>
<td>-5</td>
<td>-33.3</td>
</tr>
<tr>
<td>Aged 18</td>
<td>110</td>
<td>100</td>
<td>90</td>
<td>-20</td>
<td>-18.2</td>
</tr>
<tr>
<td>Aged 19</td>
<td>120</td>
<td>110</td>
<td>100</td>
<td>-20</td>
<td>-16.7</td>
</tr>
<tr>
<td>Total No. Inverclyde Claimants</td>
<td>250</td>
<td>225</td>
<td>200</td>
<td>-50</td>
<td>-20.0</td>
</tr>
<tr>
<td>Total No.</td>
<td>13,355</td>
<td>14,330</td>
<td>12,146</td>
<td>-1,209</td>
<td>-9.0</td>
</tr>
</tbody>
</table>

Source: NOMIS on 1 April 2014
Table 3.14 below provides a breakdown of out-of-work benefits claimed by 18-19 year olds over the period November 2008 – 2011.

<table>
<thead>
<tr>
<th>Inverclyde Benefit Claimants Aged 18-19 year olds</th>
<th>Total</th>
<th>Job Seeker</th>
<th>Incapacity Benefits</th>
<th>Lone Parent</th>
<th>Other on Income Related Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 2008</td>
<td>310</td>
<td>180</td>
<td>60</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>Nov 2009</td>
<td>330</td>
<td>210</td>
<td>60</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>Nov 2010</td>
<td>300</td>
<td>160</td>
<td>70</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>Nov 2011</td>
<td>330</td>
<td>190</td>
<td>70</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>Nov 2011 Scotland</td>
<td>19,150</td>
<td>12,810</td>
<td>2,910</td>
<td>2,340</td>
<td>1,080</td>
</tr>
</tbody>
</table>

However, since 2011 Inverclyde has made significant progress in terms of school leaver destinations (SLDR). According to the latest SLDR published in December 2013, Inverclyde is now ranked 4th out of 32 Scottish local authorities for school leavers moving into positive destinations.

Table 3.15: School Leaver Destinations, Inverclyde, 2009-2013

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10 Total Leavers 939</td>
<td>34.6%</td>
<td>34.7%</td>
<td>6.8%</td>
<td>12.7%</td>
<td>0.3%</td>
<td>-</td>
<td>9.3%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2010-11 Total Leavers 847</td>
<td>36.4%</td>
<td>27.4%</td>
<td>8.0%</td>
<td>16.4%</td>
<td>0.0%</td>
<td>-</td>
<td>10.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2011-12 Total Leavers 861</td>
<td>42.2%</td>
<td>26.7%</td>
<td>8.8%</td>
<td>15.4%</td>
<td>0.2%</td>
<td>1.4%</td>
<td>4.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2012-13 Total Leavers 861</td>
<td>37.7%</td>
<td>34.8%</td>
<td>4.5%</td>
<td>16.1%</td>
<td>0.5%</td>
<td>1.2%</td>
<td>4.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Scotland 2012-13 Total Leavers 52,801</td>
<td>36.5%</td>
<td>27.8%</td>
<td>5.0%</td>
<td>20.4%</td>
<td>0.5%</td>
<td>1.3%</td>
<td>7.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Difference LA to Scotland 2012-13</td>
<td>1.2%</td>
<td>7.0%</td>
<td>-0.5%</td>
<td>-4.3%</td>
<td>0.0</td>
<td>-0.1%</td>
<td>-2.6%</td>
<td>-0.6%</td>
</tr>
</tbody>
</table>

Source: SDS School Leavers Destinations Results * AA- Activity Agreements

As indicated above, 817 school leavers entered a positive destination in 2013-14. The percentage of school leavers entering positive destinations comprised:
37.7% of school leavers entered higher education compared to the national average of 36.5%;
34.8% school leavers entered further education compared to the national average of 27.8%;
16.1% of school leavers entered employment compared to the national average of 20.4%
4.5% of school leavers entered training compared to the national average of 5.0%
4.5% of school leavers were unemployed compared to the national average of 7.1%

Over the period 2009-2013, the percentage of school leavers who were unemployed but seeking work dropped from 9.3 percentage points in 2009-10 to 4.5 percentage points in 2012-13 which is 2.6 percentage points lower than the national average. Inverclyde has the 7th lowest percentage of school leavers who are "unemployed and seeking work" across Scotland. It is also noted that for the period 2009-2013, Inverclyde’s SLDR statistics indicate that all school leavers are known to Inverclyde Council and SDS, who jointly continue to track school leavers (16-18 year olds) and offer a range of support outlined in Section 4 below.

3.8 Employment

The most up-to-date ONS statistics indicate that Inverclyde continues to be dependent upon service industries for employment. Table 3.16 below provides a breakdown of employee jobs by occupational sectors for the period 2009-2012.

Table 3.16: Inverclyde - Employee Jobs by Main Occupational Sectors 2009-2012.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inverclyde Employee Jobs</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,700</td>
<td>6.7</td>
<td>1,700</td>
<td>5.7</td>
</tr>
<tr>
<td>Construction</td>
<td>1,200</td>
<td>4.3</td>
<td>1,200</td>
<td>3.8</td>
</tr>
<tr>
<td>Service Sector</td>
<td>24,400</td>
<td>86.6</td>
<td>26,700</td>
<td>92.1</td>
</tr>
<tr>
<td>Total Employee Jobs</td>
<td>28,200</td>
<td>100</td>
<td>29,300</td>
<td>100</td>
</tr>
<tr>
<td>Full-Time Jobs</td>
<td>19,400</td>
<td>69.6</td>
<td>20,300</td>
<td>69.2</td>
</tr>
<tr>
<td>Part-Time Jobs</td>
<td>9,800</td>
<td>34.4</td>
<td>10,000</td>
<td>30.8</td>
</tr>
</tbody>
</table>

Source: ONS Business register & unemployed survey

In 2012, 9,900 employees (36.9%) were employed in the public sector; 5,100 employees (19.1%) were employed in financial and other business services; 4,300 employees (16.1%) were employed in wholesale and retail services; 1,600 employees (6.1%) were employed in information and communication services; 1,300 employees (5.0%) were employed in accommodation and food services; 900 employees (3.7%) employed in transport services and 1200 employees (4.5%) in other services. According to the provisional 2013 ASHE (Annual Survey of Hours and Earnings) published in February 2014, the gross median weekly pay for Inverclyde employees in 2013 was as follows:

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Gross Median Weekly Pay Inverclyde</th>
<th>Gross Median Weekly Pay Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time Male Employees</td>
<td>£518.3</td>
<td>£544.3</td>
</tr>
<tr>
<td>Full-Time Female Employees</td>
<td>£403.8</td>
<td>£454.0</td>
</tr>
<tr>
<td>Part-Time Male Employees</td>
<td>£171.2</td>
<td>£153.3</td>
</tr>
<tr>
<td>Part-Time Female Employees</td>
<td>£169.0</td>
<td>£172.5</td>
</tr>
</tbody>
</table>
The provisional 2013 ASHE survey indicated that apart from part-time male employees, all full-time employees and part-time female employees were paid less as equivalent categories of employees across Scotland as a whole. Research by the Low Pay Commission indicates that the occupations with the highest prevalence of low pay include: sales assistants, retail cashiers, kitchen staff and waiters, bar staff, cleaners and shelf fillers. As indicated in section 3.8 below, these low entry occupations are the most sought after occupations by a significant number of JSA claimants in Inverclyde.

The ASHE survey also indicated that the number of full-time employees had risen from a total of 16,100 employees in 2012 to 19,000 employees in 2013. Of the 19,000 full-time employees, 9,000 employees were male and 10,000 employees were female. The 2013 ASHE survey also indicated that in Inverclyde there were 8,000 female employees in part-time employment. No verified data was available for the number of males in part-time employment.

3.9 Jobcentre Plus Notified Vacancies

An indicator used to gauge the vibrancy of the labour market is the number of job vacancies notified to Jobcentre Plus. In looking at vacancy figures, it is important to note that Jobcentre Plus registered vacancies do not necessarily represent all available posts within the local labour market. ONS research estimates that locally only between a third and half of all job vacancies are notified to Jobcentre Plus and as illustrated in table 3.15, the number of notified vacancies varies significantly between sectors. Both on and off flows tend to be concentrated in elementary occupations, administrative occupations, construction and sales. This may be more a reflection of the types of vacancies registered with Jobcentre Plus than the type of jobs available in the economy at large.

The latest SDS Monthly Unemployment Update (March 2014) indicates that the most sought occupations by JSA claimants in Scotland during February 2014 were in

- Sales Occupations (Sales & Retail Assistants);
- Elementary Trades, Plant & Storage Related Occupations; and,
- Elementary Administration & Service Occupations

These broad occupations sought by JSA claimants in Scotland mirror the main occupations being sought by JSA claimants in Inverclyde.

Given that no updated Jobcentre vacancy data has been made available through NOMIS since November 2012, no comparison can be made between notified and sought vacancies at November 2012 and November 2013. However, Table 3.15 below provides a comparison of the top ten notified Jobcentre vacancies and the top ten sought vacancies by occupation in December 2011 and November 2012 respectively.

Table 3.15: Top ten notified Job Centre vacancies and top ten sought vacancies by occupation, December 2011 & November 2012.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Top ten number of vacancies sought @ December 2011</th>
<th>Top ten number of available vacancies @ December 2011</th>
<th>Top ten number of vacancies sought @ November 2012</th>
<th>Top ten number of available vacancies @ November 2012</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales &amp; Retail Assistants</td>
<td>490</td>
<td>5</td>
<td>615</td>
<td>11</td>
<td>Demand exceeds notified vacancies</td>
</tr>
<tr>
<td>Goods Handling &amp; Storage</td>
<td>205</td>
<td>879</td>
<td>185</td>
<td>398</td>
<td>Notified vacancies exceeds number of job seekers</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Labourers in Building / Woodworking Trades</td>
<td>140</td>
<td>-</td>
<td>115</td>
<td>-</td>
<td>No notified vacancies.</td>
</tr>
<tr>
<td>General Office Assistants / Clerks</td>
<td>120</td>
<td>-</td>
<td>120</td>
<td>-</td>
<td>No notified vacancies</td>
</tr>
<tr>
<td>Call Centre Agents / Operators</td>
<td>100</td>
<td>40</td>
<td>95</td>
<td>57</td>
<td>Demand exceeds notified vacancies</td>
</tr>
<tr>
<td>Cleaners / Domestics</td>
<td>100</td>
<td>-</td>
<td>95</td>
<td>25</td>
<td>Demand exceeds notified vacancies</td>
</tr>
<tr>
<td>Van Drivers / taxi drivers, chauffeurs</td>
<td>80</td>
<td>-</td>
<td>70</td>
<td>10</td>
<td>Demand exceeds notified vacancies</td>
</tr>
<tr>
<td>Care Assistants / Home Carers</td>
<td>80</td>
<td>41</td>
<td>75</td>
<td>-</td>
<td>Demand exceeds notified vacancies</td>
</tr>
<tr>
<td>Kitchen &amp; Catering Assistants</td>
<td>80</td>
<td>-</td>
<td>75</td>
<td>-</td>
<td>No notified vacancies for job seekers</td>
</tr>
<tr>
<td>Labourers in Construction Trades</td>
<td>75</td>
<td>-</td>
<td>65</td>
<td>-</td>
<td>No notified vacancies</td>
</tr>
<tr>
<td>Sales Representatives</td>
<td>-</td>
<td>52</td>
<td>-</td>
<td>128</td>
<td>Notified vacancies exceeds nos. of jobseekers'</td>
</tr>
<tr>
<td>Collector Salespersons' &amp; Credit Agents</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>No notified vacancies</td>
</tr>
<tr>
<td>Metal Plate Workers</td>
<td>-</td>
<td>35</td>
<td>-</td>
<td>10</td>
<td>No job seekers for unfilled vacancies</td>
</tr>
<tr>
<td>Welding Trades</td>
<td>-</td>
<td>35</td>
<td>-</td>
<td>-</td>
<td>No job seekers - no unfilled vacancies</td>
</tr>
<tr>
<td>Pipe Fitters</td>
<td>-</td>
<td>35</td>
<td>-</td>
<td>-</td>
<td>No job seekers - no unfilled vacancies</td>
</tr>
<tr>
<td>Market Research Interviewers/ marketing</td>
<td>-</td>
<td>8</td>
<td>-</td>
<td>45</td>
<td>No job seekers for unfilled</td>
</tr>
</tbody>
</table>
Notwithstanding the skewing of the total number of notified vacancies by the seasonal recruitment for goods handling /storage posts, table 3.15 above indicates that there continues to be a mismatch between demand and supply in the Inverclyde labour market. There are a number of examples that can be summarised as follows:

- Comparing notified occupational vacancies with occupational vacancies sought at December 2011 and November 2012, the predominate occupational vacancies being sought by job seekers continue to be in sales & retail, goods handling, general office administration, building/ construction sector, call centres, cleaning /domestic services, social care, catering/hospitality and commercial driving;

- At November 2012, there were unfilled job vacancies in sales representative posts, goods handling / storage, metal plate workers and marketing associate professionals. This equated to a total of 581 job vacancies that were not filled by local job seekers. The seasonal demand and high number of vacancies (the months of November and December) for goods handling and storage occupations which, based on local research, are predominantly agency recruited, temporary and low paid jobs;

**Implications for Inverclyde Employability Partnership**

The scale of the challenge facing the Inverclyde Employability Partnership continues to be significant with 18.0% of the working age population claiming key out-of-work benefits, compared to 12.5% nationally. Despite signs of economic recovery, the impact on employment at national and local level will probably be modest for the foreseeable future.

The latest performance data from DWP's Work Programme reveal that performance in placing people in sustainable work is not strong (and in most areas such as Inverclyde is lower than the preceding New Deal) – and that those furthest from work appear to be being ‘parked’ (increasingly making ad-hoc / concealed client referral to other service providers such as the Trust) because the additional financial incentives for helping them find sustainable work isn’t enough to make it worthwhile to provide effective support.

Jobs for ESA claimants’ remains significantly below expectations, the single largest problem for Work Programme. The largest group of out-of-work benefit claimants were those individuals in receipt of Incapacity Benefit and Employment and Support Allowance (5,970 at August 2013). The size of this group coupled with the benefit re-assessment process introduced by the Welfare Reform Act, 2012, will require employability service providers to focus activities/services for IB / ESA claimants assessed as ‘fit to work’. At August 2013, 60.5% of ESA/ IB claimants were aged between 45 – 64 years of age

The number of individuals, particularly older aged claimants, completing their participation in the ‘Work Programme’ and who remain unemployed, will require to be re-engaged and employability service activities ‘customised’ to meet the challenge of moving ex-Work Programme participants into sustained employment.

For many individuals, households and communities within Inverclyde, entering work cannot provide a sustainable route out of poverty if job security, low pay and lack of progression are not also addressed.

Notwithstanding improvements in school leaver destinations, the ‘MCMC young people continue to fair poorly in the labour market. Assisting ‘disaffected’ and ‘detached’ young people to make better transitions into the labour market is a clear service priority for service providers.
A significant concern facing Inverclyde is a continuing jobs gap – with one of the lowest jobs densities in Scotland ratio. Consequently, increasing the number of jobs available to claimants continues to be a priority.

Based on the consultations with service users’, the partnership also need to consider how improved transport links can be made to employment opportunities elsewhere given the high cost and travel time to major employment centres in commuting.
**Appendix 4:** List of Interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jackie Hill</td>
<td>Economic Development Manager, Inverclyde Council</td>
</tr>
<tr>
<td>Shaun Lundy</td>
<td>Workforce Development Team Leader, Inverclyde Council</td>
</tr>
<tr>
<td>Liz Baird</td>
<td>Senior Monitoring Officer, PMSU, Inverclyde Council</td>
</tr>
<tr>
<td>Lynsey Frizell</td>
<td>Corporate Policy Officer, Inverclyde Council</td>
</tr>
<tr>
<td>Dougie Smith</td>
<td>MCMC Officer, Inverclyde Council</td>
</tr>
<tr>
<td>Maggie Paterson</td>
<td>CLD Service Manager, Inverclyde Council</td>
</tr>
<tr>
<td>Claire Alexander</td>
<td>Senior CLD Officer, Inverclyde council</td>
</tr>
<tr>
<td>Cindy Robb</td>
<td>Business Development Unit, West College Scotland</td>
</tr>
<tr>
<td>Jim Bristow</td>
<td>Chief Executive, Inverclyde Community Development Trust</td>
</tr>
<tr>
<td>Jo Molloy</td>
<td>Operation Manager, Inverclyde Community Development Trust</td>
</tr>
<tr>
<td>Theresa Cunningham</td>
<td>Operation Manager, Inverclyde Community Development Trust</td>
</tr>
<tr>
<td>Andrina Hunter</td>
<td>Service Manager, Inverclyde CHCP</td>
</tr>
<tr>
<td>Brian Fleming</td>
<td>ILO Manager, JobCentre Plus</td>
</tr>
<tr>
<td>Billy Walker</td>
<td>Partnership Manager, JobCentre Plus</td>
</tr>
<tr>
<td>Steven Watson</td>
<td>Representing the Inverclyde Chamber of Commerce</td>
</tr>
<tr>
<td>Paul Findley</td>
<td>Manager, Financial Fitness</td>
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<tr>
<td>Norma Norris</td>
<td>Project Officer, Stepwell Consultancy Ltd</td>
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<td>Mary Carson</td>
<td>Area Manager, SDS</td>
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<td>Mary Flynn</td>
<td>SDS</td>
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<td>Lynne Lambie</td>
<td>Employer Engagement Adviser, SDS</td>
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Addendum

Addendum A - ‘The Commission for Developing Scotland’s Young Workforce’

The final report by the Commission tasked with helping Scotland develop a world class system of vocational education and training was published on the 3 June 2014.

BACKGROUND

At the time of setting up the Commission in January 2013, Scotland’s youth unemployment level was 18.8% i.e. almost one in five young people in Scotland were out of work. The areas covered in the remit of the Commission included:

- Better preparing school leavers for the world of work
- College education focused on employment and progression in learning
- Modern Apprenticeships focused on higher level skills and industry needs
- More employers engaging with education and recruiting more young people
- Advancing Equalities

The Commission believes with the appropriate level of support from government, education and employers, and with sustained mainstream investment in the changes proposed, Scotland should achieve:

- All 363 secondary schools in a long term partnership with employers within 3 years.
- The quality of work experience and career guidance to be significantly enhanced – all school pupils to receive work experience and career guidance by 2020.
- An additional 5,000 Modern Apprenticeship places at level 3 and above by 2020 with potential for further growth beyond that.
- 60% of school leavers not attaining Highers to leave school with meaningful industry relevant vocational qualifications by 2020.
- By 2020, reducing youth unemployment by 30,000

The Commission has made 39 recommendations for consideration by the Scottish Government including the following key recommendations:

- Youth unemployment should be reduced by 40 per cent
- Enhanced careers education in Primary School
- The opportunity to prepare for a Modern Apprenticeship (MA) in the senior phase of school
- More support for employers to take on young employees
- Closer links between employers and schools and colleges
- Measures to improve gender balance in training
• Measures to remove barriers for young disabled people, care leavers and black and minority ethnic groups taking up training opportunities