

**PERTH AND KINROSS COUNCIL****Strategic, Policy and Resources Committee****30 November 2016****Employability Strategy and Action Plan****Report by Depute Chief Executive, Environment  
(Sustainability, Strategic and Entrepreneurial Development)****PURPOSE OF REPORT**

This report presents the refreshed employability strategy for Perth and Kinross. The strategy responds to the many dynamics within this policy area and outlines a model where the Council can respond effectively and efficiently to changes at local and national level.

The strategy presents a Council approach to tackle unemployment, poverty and social exclusion through increasing employment and improving skills. The approach will enable better internal and external partnership working, along with flexibility to respond to changes to national and local policy and employment programmes.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 Perth & Kinross is recognised as a great place to live, work and visit with continued population growth and significant creation of new businesses. Our communities have a wealth of talent and energy. Our businesses, of which 99% are small to medium enterprises, play a crucial role in the local economy and local employment. The Tay Cities Deal and Perth City Plan will attract new investment and new businesses to the area. Our young people are achieving excellent results in our schools and our positive destination outcomes are 94%, above the national average of 92%.
- 1.2 An early action will be to respond to the Tay Cities Deal “Inclusive Tay” workstream, by working with key stakeholders to develop infrastructure to ensure that Tay Cities Projects provide employment and opportunities for individuals across the region Perth and Kinross is historically and predominantly dependant on service sector industries. Wage levels of vacancies are often around the national minimum wage. However, the average weekly earnings level of £516.90 gives an annual income of £26,879 placing PKC 16<sup>th</sup> highest earning local authority area.
- 1.3 This figure hides the prevalence of low earnings, as many of the residents in Perth & Kinross commute to other local authority areas and this drives up the earnings locally.
- 1.4 In the 5 years between 2009 and 2014, Perth & Kinross has seen the establishment of 3,100 new business ventures. The 5 year business survival rate of 48.3% in Perth & Kinross is the 4<sup>th</sup> highest rate among local authority areas in Scotland.

- 1.5 Currently national policy and agencies are under review by the Scottish Government and this will impact on how we deliver services in future. In addition, the Community Empowerment Act (Scotland) 2015 will have an impact, along with the Tay Cities Deal.
- 1.6 Employment and employability contributes to many policy areas nationally and locally. The strategy complements and addresses the National Strategies such as Scotland's Economic Strategy; The Employability Framework for Scotland ('Working for Growth'); Developing Scotland's Young Workforce – Scotland's Youth Employment Strategy; Scotland's New Employability Service; The Apprenticeship Levy and Fair Work Framework 2016.
- 1.7 At the local level, employability contributes to the Single Outcome Agreement. The Council will develop the Local Outcomes Improvement Plan (LOIP) in response to the Community Empowerment Act (2015). Employability and skills will be an important consideration within these plans. At the same time, the Tay Cities Deal will be looking to develop a more regional approach to economic development, with employability a core component in achieving the "Inclusion" theme of the Cities Deal.
- 1.8 Fairness and equality of opportunity remains at the core of employability. In addition, working more collaboratively across all workstreams will further develop and strengthen the Council's commitment to the Scottish Strategy for Autism, Fair Work, the Fairness Commission, the Scottish Living Wage and Carers Positive Employment .
- 1.9 All services of the Council make a contribution to employability. As such, it is important to the values and commitment of the Council that employability is a shared and collective responsibility. This means that strong governance and a collaborative approach is required to ensure best value and shared understanding within our services. There are a number of challenges on the horizon. These include the Scottish Government's review of Enterprise and Skills agencies, the new Scotland's Employability Service and the Apprenticeship Levy. This approach will allow all services to approach these challenges proactively and intelligently, ensuring that our residents who require employability services are well served.

## **2. PROPOSALS**

- 2.1 The Strategy is a Council approach to tackle unemployment, poverty and social exclusion through increasing employment and improving skills. This approach will enable better internal partnership working and the flexibility to respond to changes to national and local policy and employment programmes. The Council will influence policy, lever in funding and work more effectively to address local priorities. The Strategy aims to further reduce unemployment, support new entrants into the labour market, address barriers to employment and support those in employment on low incomes. This is through approaches to maximise the opportunities for inactive and underemployed citizens as well as help employers meet their future skills needs

- 2.2 Unemployment in Perth & Kinross is currently 1.2% (Source – NOMIS November 2016), this is down 1% since 2012 when this strategy was last refreshed this represents an additional 900 people in work in Perth & Kinross. Currently unemployment in Scotland is 1.8%. the only group with rising unemployments levels are those individuals with carer responsibilities. This has seen a 30% rise with an additional 300 carers currently unemployed. Employability is a shared responsibility with all services making a contribution. The Strategy and accompanying action plan (Appendix A) sets out the collective responsibilities and assigns lead responsibility for the delivery of the key actions to the service most suited to the delivery of that policy area. A refreshment of governance and groups that deliver on this strategy will further increase cross council collaboration. This will also enable an even more effective response to the changing external policy, partnerships and responsibilities.
- 2.3 School leavers will continue to be well served within the Developing the Young Workforce Strategic Framework. The Council and its Community Planning partners developed a local action plan in response to the Scottish Government's Youth Employment Strategy which was published in December 2014. Developing our Young Workforce Perth and Kinross Action Plan which was approved by this committee in June 2015 (Report No. 15/253 refers). A further progress report was submitted to this Committee in September 2016.
- 2.4 Employability services in Perth and Kinross have been well supported and will continue to be accessible to all unemployed people in Perth and Kinross. Key target areas are:
- Improving focus on Carers, who are the only group in Perth and Kinross where employment is falling. Including supporting the Scottish Government Carer Positive initiative;
  - Strategic partners will look at ways of addressing the issues of in work poverty and low wages;
  - A focus will be given to further supporting other fairness and equality frameworks, including autism, and will support the emerging work of the Fairness Commission.

### **3. CONCLUSION AND RECOMMENDATIONS**

- 3.1 The Council is facing many changes in the employability environment and strategic areas that employability contributes to. Along with partners, the Council has an impressive track record of employability delivery and is well placed to meet these challenges. Delivery of employability is the responsibility of all services and, within the current dynamic environment, it will be important that the Council can continue to respond proactively and intelligently. This Strategy, along with improved governance and enhanced collaborative working, aims to deliver an even more effective approach to employability.

### 3.2 It is recommended that the Committee:

- notes the significant progress made in delivering employability in Perth and Kinross
- notes the significant external challenges due to the dynamics and reviews within national and local policy and agencies that will impact on the Council's approach to employability
- agrees to the development of a refreshed "One Council" approach to employability to meet these challenges effectively and intelligently.
- approves the revised employability strategy (Appendix A)

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>YES</b>
Corporate Plan	<b>YES</b>
<b>Resource Implications</b>	
Financial	<b>NONE</b>
Workforce	<b>NONE</b>
Asset Management (land, property, IST)	<b>NONE</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>Yes</b>
Strategic Environmental Assessment	<b>NONE</b>
Sustainability (community, economic, environmental)	<b>YES</b>
Legal and Governance	<b>NONE</b>
Risk	<b>NONE</b>
<b>Consultation</b>	
Internal	<b>YES</b>
External	<b>NONE</b>
<b>Communication</b>	
Communications Plan	<b>YES</b>

### 1. Strategic Implications

#### Community Plan/Single Outcome Agreement

1.1 This strategy contributes to the following Community Plan's Strategic objectives

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives.

#### Corporate Plan

1.2 The wide range of support in this strategy will assist the wider community of Perth & Kinross gain help create positive and sustainable outcomes.

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives.

## **2. Resource Implications**

### Financial

- 2.1 No additional budget requirement. Activities will be delivered by Council Services as part of core services.

### Workforce

- 2.2 No additional workforce requirements. Activities will be delivered by Council Services as part of core services

### Asset Management (land, property, IT)

- 2.3 There are no asset management implications.

## **3. Assessments**

### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. An equality impact assessment needs to be carried out for functions, policies, procedures or strategies in relation to race, gender and disability and other relevant protected characteristics. This supports the Council's legal requirements to comply with the duty to assess and consult on relevant new and existing policies.
- 3.2 The function, policy, procedure and strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome: This strategy aims to directly address inequality within protected groups including carers, people with a disability and young people therefore an EQIA will be required.

### Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

### Sustainability

- 3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty to demonstrate its commitment to sustainability, the community, environmental and economic impacts of its actions.

## Legal and Governance

- 3.5 There are no legal implications from the activities within this report

## Risk

- 3.6 Risk and the controls required to mitigate any risks will be reported through the Council's risk management process.

## **4. Consultation**

### Internal

- 4.1 Consultation was held with Housing and Community Care, Employment Development; Adult and Family Learning, Community Planning Policy Team, Employability Network Co-ordinator, ECS Developing Young Workforce, the Environment Service, Westbank projects and the Employability Board.

### External

- 4.2 Consultation will take place with external employability agencies early in 2017.

## **5. Communication**

- 5.1 Internal communication will be via Employability Board and staff Intranet. External communication will be via the Economy and Lifelong Learning Group, Employability Network and Developing Young Workforce group.

## **2. BACKGROUND PAPERS**

Scotland Economic Strategy 2015

<http://www.gov.scot/Publications/2015/03/5984>

The Employability Frame for Scotland

<http://www.gov.scot/Resource/0040/00402275.pdf>

Developing Scotland's Young Workforce

<http://www.gov.scot/Publications/2014/12/7750>

Scotland's New Employability Service

<http://www.employabilityinscotland.com/news-events/latest-news/march-2016/march-update-on-scotland's-future-employability-services/>

The Apprenticeship Levy

<http://www.gov.scot/Publications/2016/07/5912>

Fair Work Framework 2016

<http://www.fairworkconvention.scot/framework/FairWorkConventionFrameworkSummary.pdf>

Community Planning Partnership Single Outcome Agreement

<http://www.pkc.gov.uk/CHttpHandler.ashx?id=20613&p=0>

Scottish Strategy for Autism

<http://www.gov.scot/Resource/Doc/361926/0122373.pdf>

Perth & Kinross Fairness Commission

<http://www.pkc.gov.uk/fair>

The Scottish Living Wage

<http://scottishlivingwage.org/accreditation>

Carers Positive Employment

<http://www.carerpositive.org/carers-and-employment/>

Community Empowerment Act (Scotland) 2015

<http://www.gov.scot/Topics/People/engage/CommEmpowerBill>

Tay Cities Deal

<http://www.pkc.gov.uk/CHttpHandler.ashx?id=36862&p=0>

European Social Fund

<http://www.gov.scot/Topics/Business-Industry/support/17404>

### **3. APPENDICES**

Appendix 1 – Strategic Operational Action Plan

Appendix 2 – Police Framework

Appendix 3 – Local Frameworks

Appendix 4 – Future Frameworks

Appendix 5 – External Partners

Appendix 6 – Internal Stakeholders

Appendix 7 – Perth & Kinross 5 Stage Employability Pipeline

Appendix A - Perth and Kinross Employability Strategy