

**PERTH AND KINROSS COUNCIL****Enterprise and Infrastructure Committee****5 June 2013****EMPLOYABILITY INITIATIVES – THE HUB PROJECT RELOCATION/OUTREACH  
AND NEW RECRUITMENT INCENTIVES****Report by Executive Director (Environment)****PURPOSE OF REPORT**

This report provides an update on the pilot HUB employment advice centre, which has been achieving significant success in supporting unemployed individuals into jobs. It outlines proposals to extend its services by relocating to a larger unit within Perth, and to provide an outreach service in Aberfeldy, Blairgowrie and Crieff. In addition, it outlines proposals to introduce two new local Recruitment Incentives to provide wage subsidies to local companies to employ unemployed residents.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 The Council and the Community Planning Partnership approved an Employability Strategy and Action Plan on 3 October 2012 (Art. 490/12 refers). This provides the context and strategic direction for all Council and partner agency employability activity going forward.
- 1.2 Perth & Kinross Council and its partners in the local Employment Connections Partnership opened a pilot employment advice centre in Perth in mid-November 2011 called The HUB. Since then, it has made a real impact in helping support local unemployed individuals back into employment.
- 1.3 This shop front unit is based in the St John's Shopping Centre, and is staffed predominantly by Council staff. Its focus is on enabling "Job Ready" job-hunters boost their employability skills to enable them to gain sustainable work. The Hub provides tailored 1:1 support, and offers a wide range of employability skills modules delivered by experienced staff in this field. It provides a welcoming, attractive and supportive environment for job seekers. Due to its success, the unit is struggling to cope physically with the numbers seeking support.
- 1.4 Although the focus initially was working with unemployed clients, the HUB is increasingly working directly with local employers to source jobs, support their recruitment needs, and match job vacancies to suitable job ready clients registered at The Hub. We have also used these contacts to inform employers of the current employability programmes, and Employer Incentives open to them and their current and future workforce.

1.5 Since opening in mid-November 2011, The HUB has welcomed over 5300 visitors seeking information and support. Of those, 688 clients have registered for intensive job search support. Since opening, the HUB has supported 313 individuals into employment, at a cost to the Council of £409 per job outcome.

1.6 A profile of the HUB clients to date is outlined in the table below:-

| HUB CLIENT PROFILE |      |      | Gender Profile     |     |     |
|--------------------|------|------|--------------------|-----|-----|
| Age Profile        |      |      |                    |     | %   |
|                    | Nos. | %    | Male               | 386 | 57  |
|                    |      |      | Female             | 288 | 43  |
| 16-19              | 125  | 18.5 | total              | 674 | 100 |
| 20-24              | 99   | 14.7 | Place of Residence |     |     |
| 25-49              | 324  | 48   | PH1                | 370 | 55  |
| 50+                | 126  | 18.7 | PH2                | 216 | 32  |
| total              | 674  | 100  | other              | 88  | 13  |
|                    |      |      | total              | 674 | 100 |

1.7 The outcomes achieved against targets set are detailed below in Table 1. These are for a 17 month period from mid-November 2011 to the end of March 2013. Targets for the 12 month period to March 2014 are outlined in Table two below.

**Table 1: Outcomes Achieved November 2012 – March 2013**

| HUB outcomes                        | Project total Nov 11' - March 13' |        |      |
|-------------------------------------|-----------------------------------|--------|------|
|                                     | Target                            | Actual | %    |
| Callers                             | 1275                              | 4891   | 384  |
| Referrals to Partners               | 233                               | 116    | 50   |
| New Registrations Job Ready         | 417                               | 674    | 155  |
| Vacancy Submissions                 | 2975                              | 3143   | 105  |
| Job Outcomes                        | 250                               | 270    | 108  |
| Outcomes Other - Education/Training | 18                                | 6      | 33   |
| Employers Engaged                   | 12                                | 15     | 125  |
|                                     |                                   |        |      |
| <b>Targets other</b>                | <b>Project total</b>              |        |      |
| New vacancies                       | 14                                | 100    | 714  |
| Interviews                          | 30                                | 306    | 1020 |
| Referrals from JCP, SDS etc.        | 45                                | 247    | 54   |

**Table 2: Targets for 2013/14**

|                                   | Target 2013/14 |
|-----------------------------------|----------------|
| Callers                           | 2110           |
| Referrals OUT to Partners         | 80             |
| New Registrations J/Ready         | 270            |
| Vacancy Submissions               | 2010           |
| Job Outcomes                      | 195            |
| Outcomes Other Education/Training | 47             |
| Employer Engagement               | 31             |
| New vacancies                     | 37             |
| Interviews                        | 65             |
| Referrals IN from JCP, SDS etc.   | 75             |

- 1.8 In addition to the services provided by The HUB, the Council's Employment Initiatives Team has also supported a number of other initiatives which have directly enhanced individuals' employability, and resulted in employment. A brief summary of these projects are outlined below.

### **Other Employability Initiatives**

- 1.9 In March/April 2012 the Council in conjunction with the Department for Work and Pensions (DWP), funded a Hospitality Academy. The course was delivered by Springboard Scotland, an experienced Hospitality training provider. Tourism and hospitality employers have been reporting difficulties in recruiting suitable trained and enthusiastic staff. However, those seeking employment in the sector were reporting that without industry experience and certain qualifications, it remained difficult to secure employment. To bridge this gap, Springboard Scotland has developed the Into Work in Scottish Hospitality (IWISH) Programme.
- 1.10 Springboard Scotland has delivered a 6 week training programme to 12 young people. This programme was a mixture of classroom based learning, employer visits and awareness session, followed by 2 weeks employer placement opportunities. The young people have also achieved 5 vocationally recognised training certificates in Basic First Aid, Elementary Food Hygiene, Customer Care, Health & Safety and Staff Working in Scottish Licensed Premises.
- 1.11 The programme is proving very successful with both potential employees and employers, and to date 8 participants have already secured employment, 1 has received notification of a full-time college place with Perth College UHI. The remaining 3 candidates are still receiving support from Springboard Scotland who are optimistic that a positive outcome will be achieved in the very near future.
- 1.12 During 2012/13 Springboard Scotland also delivered, on our behalf, a programme to encourage school pupils to consider the wide range of career opportunities available within the Tourism and Hospitality sector locally. The Skills Challenge and Discovery Trail project is in its 3<sup>rd</sup> year of operation and has proved very successful in demonstrating what the Tourism and Hospitality sector can offer by way of career opportunities. It also generated a genuine interest amongst the pupils in considering a career in this sector. 150 school pupils from Blairgowrie High, Pitlochry High, and Breadalbane Academy were involved in 2012/13.

### **Enhancing Opportunities Grant (EOG)**

- 1.13 More direct support to older individuals seeking to enhance their employability through training and self employment has been provided by the Council's Enhancing Opportunities Grant (EOG). Since it was established in November 2010, we have approved 191 applications. The grant funds vocational training which the applicants need to demonstrate will have a positive impact in helping them to secure employment. In addition, the grant aims to offer financial support to individuals to help them to overcome specifically identified

barriers to employment, or to up-skill them to secure better paid employment. In 2012/13, 75% of all unemployed individuals gaining training and support through the grant have secured employment, and we anticipate that this achievement level will continue in 2013/14.

1.14 The fund has 3 elements, providing:-

- Up to £3,500 of certificated vocational training support for individuals who are unemployed
- Up to £2,000 of certificated vocational training support for individuals who are in employment/self-employed
- Up to £1,000 towards essential tools or equipment for individuals (dependant on current household income).

Full details of the eligibility and the application process can be found at:

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

1.15 The grant was re-launched in February of this year and was the subject of an extensive marketing campaign, which has resulted in a significant increase in the number of applications and grant approvals. Since the re-launch we have received 53 applications, of which, 14 have been approved, 27 are awaiting further information and the remaining 12 were ineligible. At this early stage in the new financial year, we can confirm that of the 14 approved, 2 have secured full time employment, and 2 have set up businesses. A further 3 have improved their chances of securing employment in the longer term.

## **2. PROPOSALS**

### **HUB project relocation and outreach services**

- 2.1 Recognising the continuing problems facing individuals seeking employment in the current economic climate, additional funding was provided during the budget process to provide additional support. The Perth and Kinross Guarantee provides additional resources to support employability activities targeted at a wide spectrum of individuals, from school pupils, to older individuals seeking support to secure sustained employment.
- 2.2 The specific proposals outlined within this report highlight a number of further opportunities to provide additional services to individuals seeking support.

### **The HUB**

- 2.3 On 14 February 2013, the Council approved a permanent budget for the Hub (£135,000), along with an additional one off sum of £70,000 to support the relocation of the Hub to larger premises.
- 2.4 The proposal is to expand the services provided through The Hub by relocating to a larger unit in the City Centre. As noted in paragraph 1.2, the current HUB unit within the St. John's Centre is struggling physically to cope with current demands. Relocation to a larger shop unit will provide an enhanced service for those seeking support, as the increased capacity will

allow a greater number of clients to access services at any one time. The larger unit will also allow the team to provide group training sessions, and to provide enhanced services for employers. A site search is currently underway to identify a suitable shop unit for lease. It is hoped the HUB will be in new premises by the autumn of 2013.

- 2.5 The majority of the current clients of the HUB are resident in the greater Perth area (86%), and we are keen to extend the geographic reach of the service. To achieve this, it is proposed that the service is provided on an outreach basis. i.e. one day a week in three locations initially – Blairgowrie, Crieff and Aberfeldy. The proposal is to co-locate the HUB services with existing projects in these areas; namely LOGOS in Crieff, SCYD in Blairgowrie, and Breathe in Aberfeldy. Discussions are underway with these organisations and colleagues in Youth Services, to consider in detail how the partnership arrangements will operate. It is envisaged that staff from the HUB in Perth will provide a similar support service in these locations on a weekly basis.

### **New Recruitment Incentives**

- 2.6 Currently a number of recruitment incentives already exist to provide a wage incentive to employers who employ individuals in certain unemployment categories. Both DWP and Skills Development Scotland provide wage incentives, but the categories of unemployed individuals these relate to remain relatively limited, and the take up rate by employers remains low.
- 2.7 Through the budget process, in February 2013, the Council established a local wage incentive, targeting the over 25s (72% of all those currently on Job Seekers Allowance in Perth and Kinross are aged 25+). It is proposed that the Council create a Wage Incentive targeted at those within this age group specifically resident in those wards where unemployment is above the Scottish average. The budget allocated is £50,000 per annum for two years and it is proposed that a wage incentive of £2500 to be offered to local SMEs to create employment opportunities for 20 individuals from these areas of higher unemployment. In addition, individuals supported would also have access to the Enhancing Opportunities Grant to improve their skills while in employment and hopefully sustain employment in the future.
- 2.8 In March 2013, the Scottish Government announced a new £25M Youth Scotland Employment Fund, comprising of £15M of Scottish Government funding, and £10M of European Social Fund monies. It aims to alleviate the high levels of youth unemployment and to prevent young people becoming long term unemployed. The Fund is aimed at young people who are less than six months unemployed. Local Authorities were encouraged to bid for funding to create a recruitment incentive offering SMEs 50% of the national minimum wage costs to employ a 16-24 year old youngster for a six month period.
- 2.9 The Council submitted a Stage 1 bid for funding on 12 April 2013. This was to fund 90 incentives to local employers, and in addition within our bid we have committed a further £500 per employee towards training costs. Our Stage 1 application was successful and as a result, we submitted our Stage 2 application by the deadline of the 3 May. If successful, it is proposed that the

Perth and Kinross Youth Wage Incentive will be available to employers from June 2013.

### 3. CONCLUSION AND RECOMMENDATIONS

- 3.1 The report outlines progress on a number of successful initiatives designed to support individuals into employment. It also outlines some proposed further developments. These will increase our capacity to support a greater number of individuals improve their employability, ultimately gain sustainable employment, and support local businesses to grow.

It is recommended that the committee:-

- (i) note the relocation of The HUB project to larger premises within the City Centre.
- (ii) note the provision of an outreach service from The HUB, initially weekly in Blairgowrie, Crieff and Aberfeldy.
- (iii) agree to provide funding (£50,000 p.a. for two years) to establish a Wage incentive scheme providing incentives to local companies to recruit local unemployed individuals aged 25+
- (iv) agree to provide funding (£45,000) for the training element required to establish a Perth & Kinross Youth Wage Incentive targeting unemployed individuals aged 16-24, subject to a successful bid to the Youth Scotland Employment Fund.

#### Author(s)

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#### Approved

| Name                    | Designation                   | Signature             |
|-------------------------|-------------------------------|-----------------------|
| Barbara Renton          | Depute Director (Environment) | <i>Barbara Renton</i> |
| <b>Date</b> 10 May 2013 |                               |                       |

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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>Yes</b>        |
| Workforce                                           | <b>Yes</b>        |
| Asset Management (land, property, IST)              | <b>Yes</b>        |
| <b>Assessments</b>                                  |                   |
| Equality Impact Assessment                          | <b>Yes</b>        |
| Strategic Environmental Assessment                  | <b>Yes</b>        |
| Sustainability (community, economic, environmental) | <b>Yes</b>        |
| Legal and Governance                                | <b>Yes</b>        |
| Risk                                                | <b>Yes</b>        |
| <b>Consultation</b>                                 |                   |
| Internal                                            | <b>Yes</b>        |
| External                                            | <b>Yes</b>        |
| <b>Communication</b>                                |                   |
| Communications Plan                                 | <b>Yes</b>        |

## 2. Strategic Implications

### Community Plan / Single Outcome Agreement

- 2.1 The Perth and Kinross Community Planning Partnership (CPP) brings together organisations to plan and deliver services for the people of Perth and Kinross. Together the CPP has developed the Perth and Kinross Community Plan which outlines the key things we think are important for Perth and Kinross:-

- (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
- (v) Creating a safe and sustainable place for the future

- 2.2 It is considered that the actions contained within this report contribute to objectives (ii) and (iii).

### Corporate Plan

- 2.3 The Council's Corporate Plan 2013-2018 outlines the same five objectives as those detailed above in the Community Plan. These objectives provide a clear strategic direction, inform decisions at a corporate and service level, and

shape resource allocation. It is considered that the actions contained in the report contribute to objectives (ii) and (iii) outlined in paragraph 1.1 above.

### **3. Resource Implications**

#### Financial

- 3.1 In approving the budget on 14 February 2013, the Council identified a package of additional resources to Support people into employment under the heading of the “Perth and Kinross Guarantee”. Included within that package of measures were two specific proposals; one to provide funding to relocate the Hub employment advice centre to larger premises; and a further specific allocation towards the introduction of a Recruitment Incentive to support local companies employ individuals aged 25+. The Council also recognised the need to allow the Hub to continue beyond the end of March 2013, as it had only been approved previously as a temporary/pilot project. In total, £135,000 was allocated on a recurring basis for Employability Initiatives, including the HUB.
- 3.2 In addition, £100,000 was allocated over 2 years for the Recruitment Initiative and £70,000 for the Hub relocation.

#### Workforce

- 3.3 There are workforce implications arising from this report. The relocation of The HUB employment advice centre to larger premises, and the provision of a rural outreach service will necessitate one additional staff member be employed within The HUB. The introduction of the two Recruitment Incentive schemes will also require an additional staff resource. This will be funded through the funding provided.
- 3.4 The Head of Human Resources has been consulted on this report, and has indicated agreement with the proposals (to be checked).

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

- 3.5 There are asset management issues arising from the relocation of the HUB employment advice project to new council owned premises at 42-45 High Street, Perth.
- 3.6 The Depute Director (Environment) has been consulted on, and agrees with, these proposals.

### **4. Assessments**

#### Equality Impact Assessment

- 4.1 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



requirement to comply with the duty to assess and consult on relevant new and existing policies.

- 4.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

(i) Assessed as not relevant for the purposes of EqIA

#### Strategic Environmental Assessment

- 4.3 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS). The proposals have been considered under the Act, and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

#### Sustainability

- 4.4 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. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 4.5 The proposals contained within this report are assessed to have a positive impact on sustainability, particularly with regards to the community and economic aspects of sustainable development.

#### Legal and Governance

- 4.6 There are no legal or governance implications of the proposals contained within this report.

#### Risk

- 4.7 There are no specific risks identified within the proposals outlined (might need to expand on this – review).

### **5. Consultation**

#### Internal

- 5.1 The Chief Executive, the Executive Director (Housing and Community Care), and the Executive Director (Education and Children's Services) have been consulted.

#### External

- 5.2 The members of the Community Planning Employment Connections Partnership have been consulted on the contents of this report.

## **6. Communication**

- 6.1 A communications plan will be developed to ensure that the proposed enhanced employability services outlined in the report are marketed to potential clients and businesses.

## **7. BACKGROUND PAPERS**

There are no specific documents which have been relied upon in preparing the report.

## **8. APPENDICES**

There are no appendices attached to this report.