
Scottish Borders Council's Response to the Employability Challenge in the Scottish Borders

Report by Executive Director, Corporate Improvement and Economy Executive

9 February 2021

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to highlight the challenges of increased unemployment and numbers of redundancies in the Scottish Borders; and to set out Scottish Borders Council's approach to employability and training in response to existing and new employability measures introduced by the Scottish and UK Governments. It seeks the Council's endorsement for this work and also updates the Executive on actions being taken at a South of Scotland level.**
- 1.2 Unemployment has increased significantly in the past year as a result of the Covid-19 pandemic and is likely to increase further due to the end of the UK national furloughing scheme for employees. Young people aged 16-24 have been particularly affected. The report highlights Scottish Borders Council's significant role in providing leadership in tackling employability and in supporting UK and Scottish Government employment and employability programmes. The Covid-19 pandemic has had an adverse effect in progressing the local delivery of these programmes. The report also sets out the Council's involvement in the recently announced UK and Scottish Government employability programmes especially Kickstart, Youth Guarantee and the Partnership Action for Continuing Employment Programme (PACE). The importance of co-ordinating the work of the Borders Learning and Skills Partnership is highlighted together with the strategic approach being developed at a South of Scotland level.

2 RECOMMENDATION

- 2.1 It is recommended that the Council:**
- a) Note the scale of the unemployment challenge particularly facing young people in the Scottish Borders as set out in Section 3.**
 - b) Note the additional Scottish Government and UK Government employability support measures as set out in Section 4.**
 - c) Note the Council's involvement in existing employability measures as set out in paragraphs 5.3, 5.4 and 5.5.**

- d) Endorse the Council's approach to Employability as set out in section 5 and its involvement in the UK Government's Kickstart initiative, and the Scottish Government's Youth Guarantee and the Partnership Action for Continuing Employment (PACE) programmes as set out in paragraphs 5.7 to 5.11.**

- e) Note the establishment of the South of Scotland Education and Skills Strategic Coordination Group that will link into the South of Scotland Regional Economic Partnership (REP) as mentioned in Section 6.**

3 UNEMPLOYMENT IN THE SCOTTISH BORDERS

- 3.1 As elsewhere in Scotland and the UK, the Scottish Borders has experienced a significant rise in unemployment in the past year. (See Appendix 1.) The claimant figures for December 2020 show claimant unemployment at 3,505 (2,040 males and 1,465 females) and compares with 1,755 (1,085 males and 670 females) in the same month in 2019. It should be noted that the increase in unemployment numbers has slowed over the past few months, which is also the case nationally. This is probably due to the UK Government's national employment furloughing scheme still being in place. The latest information on those furloughed in the Scottish Borders is that 3,300 workers were on the scheme on 31 October 2020.
<https://www.skillsdevelopmentscotland.co.uk/media/47100/rsa-infographic-scottish-borders.pdf>
- 3.2 Unemployment is affecting all age groups but especially the 16-24 age group. The numbers unemployed in this group in December 2020 were 765 - 22% of the total. The increase in unemployment is spread across the Scottish Borders with the largest increases in Jedburgh and District (3.4 percentage points), Hawick and Denholm (3.2 percentage points), Tweeddale West (2.7 percentage points), Galashiels and District (2.7 percentage points), East Berwickshire (2.6 percentage points), and Leaderdale and Melrose (2.6 percentage points) local authority wards.
- 3.3 National economic forecasts suggest that the levels of unemployment and redundancies will increase markedly, particularly as the funding for the UK Government's furloughing scheme is reduced and comes to an end. This will likely lead to increased poverty and more disadvantaged and vulnerable families and individuals, and place additional demands on public sector support services.
- 3.4 The labour market impacts of the pandemic will not solely be restricted to those who are in work. Modelling work undertaken by Skills Development Scotland (SDS) and validated by team South of Scotland partners suggests that a broad range of groups are likely to see their labour market choices impacted by the economic and labour market crisis. This includes:
- Secondary school students due to make the transition to education, training or employment.
 - Apprentices currently in training who may be at greater risk of redundancy.
 - College and University leavers who are due to complete their studies.

4 SCOTTISH AND UK GOVERNMENT EMPLOYABILITY SUPPORT MEASURES

- 4.1 Local authorities are recognised as key delivery partners at a local level for national employability support measures. The Scottish Government and COSLA signed a 'No One Left Behind' Employability Partnership Agreement in December 2018. The Partnership Agreement is supported by a Delivery Plan which provides a range of funding to local authorities including the Parental Employment Support Fund and funding for youth and adult employability measures.

- 4.2 The Scottish Government have responded to the problems in the labour market with an additional £100 million to be invested in targeted employment support and training, including:
- £60 million in a Young Person's Guarantee to give all young people access to work, training or education.
 - £25 million in a National Transition Training Fund to support those facing redundancy and unemployment focused on helping those in sectors and regions most exposed to the current economic downturn.
 - £5 million to maximise resources for those facing redundancy through Partnership Action for Continuing Employment (PACE).
- 4.3 The UK Government has launched the Kickstart scheme, which provides funding to employers to create new 6-month job placements for young people who are currently on Universal Credit and at risk of long-term unemployment. Funding will cover 100% of the relevant National Minimum Wage for 25 hours a week, the National Insurance contributions and employer minimum automatic enrolment contributions. This is part of the UK Government's 'Plan for Jobs', and aims to create hundreds of thousands of new, fully funded jobs across the UK.
- 4.4 Other UK Government measures include the ability for employers with under 250 staff to reclaim Statutory Sick Pay (SSP) for employees unable to work due to coronavirus; support for self-employed; SSP from day 1 for those who cannot work due to COVID and the Job Retention Scheme.

5 RESPONSE BY SCOTTISH BORDERS COUNCIL

- 5.1 In response to the challenges arising from increasing unemployment in the Scottish Borders, the Council's Corporate Management Team has established a **Leadership Group on Employability**. This is led by the Executive Director, Corporate Improvement and Economy and involves the Service Director Human Resources, Service Director Young People Engagement and Inclusion, the Service Director Customer & Communities, Employment Services Manager and Senior Policy Adviser. Also there is an inter-service Employability officer group which reports into this Leadership Group.
- 5.2 The Council is also working closely with Borders College to coordinate employability and training across the Scottish Borders. This is undertaken by **the Borders Learning and Skills Partnership** and this body includes representation from a range of organisations including the Developing Young Workforce, Heriot Watt University, South of Scotland Enterprise Agency, the voluntary sector and national agencies i.e. the Department of Work and Pensions and Skills Development Scotland. It has links into the employment, skills and training work being carried out at a South of Scotland level, and as part of the Edinburgh and South East Scotland City Region Deal.
- 5.3 Scottish Borders Council is playing a significant role in **directly supporting employability measures**.

This involves:

- Operating its own all age Employment Support Service in Human Resources which has a core budget provided by the Council of £378,477 in 2020/21.
- Delivering on the Scottish Government funded employability programmes as part of the local No One Left Behind delivery plan which links to the national plan mentioned in paragraph 4.1. This

comprises the Parental Employment support and youth employability programmes.

- Using European Social Fund to support the work of the Council's Employment Support Service, and to improve the employability of vulnerable individuals such as people with special needs, care leavers and ex-offenders.
- Carrying out a disadvantaged families' project led by the Council's Community Learning and Development service with specific funding from the Edinburgh and South East Scotland City Region Deal Integrated Regional Employment Services (IRES).

These initiatives are overseen by the Council's employability officer group which comprise a range of services i.e. Employment Support Service, Education, Community Learning and Development, Children and Families and Criminal Justice services, and Economic Development.

5.4 Appendix 2 sets out the Council's involvement in externally funded employability projects. These projects are currently being reviewed by the Employability Officers Group as their implementation has been (and continues to be) seriously affected by the Covid-19 pandemic which has impacted on delivery, staffing and accessing clients; together with issues surrounding accessing the European Social Fund. However considerable efforts are now being made to progress all of these programmes and projects. Discussions are also taking place with the Scottish Government to ensure that any unspent monies can be carried forward in the next financial year 2021/22 based on an agreed plan of action.

5.5 Apart from these measures, Scottish Borders Council is also:

- Supporting transitions for school leavers and young people to training and employment through Education, Skills Development Scotland (SDS) Careers Services, the Development Young Workforce, Borders College, and Department of Work and Pensions.
- Contributing to the delivery of the local PACE redundancy initiative by Council services.
- Encouraging the provision of foundation apprenticeships for young people.
- Providing a number of modern apprenticeships for young people, as an employer.
- Leading the Workforce Mobility Project as part of Edinburgh and South East Scotland City Region Deal Integrated Regional Employment Services (IRES) programme.
- Linking into other projects IRES projects - Labour Market Intelligence, Employer Engagement, Knowledge Information Systems, Management Systems, Digital Data and Construction Training.

5.6 The Council has responded to the Scottish and UK Government's employability programmes and the problems of increasing unemployment particularly facing young people in the Scottish Borders, by taking a leading role in the implementation locally of the Kickstart scheme. It has also taken action in relation to the Youth Guarantee Fund and the enhancement of the PACE Redundancy initiative.

5.7 In relation to the UK Government's **Kickstart programme** there was a requirement to respond to a tight deadline. Scottish Borders Council using its Employment service has acted as the lead partner (a Gateway Organisation) with other partners from the Borders Learning and Skills Partnership i.e. NHS Borders, Borders College, the Scottish Borders Enterprise Chamber and the Chamber of Commerce and put forward a bid

to the Department of Work and Pensions for 90 Kickstart places for young people. This will involve the arrangement of employment placements with public, private and voluntary sector employers. This includes 30 places within Scottish Borders Council (see paragraph 5.8). This bid amounted to £688,320 has been successful, and the monies need to be committed by December 2022. Scottish Borders Council as the lead partner will receive a payment of £300 per placement, generating £18,000 over the period. It intended to use funding to provide a staff resource to support the programme.

- 5.8 Scottish Borders Council's 30 Kickstart placements will include opportunities within Social Care, Education, Administration, Cleaning and Catering but will not be restricted to these vocations as choice of job will be important. As an employer, the Council will be able to claim £1500 per person as each placement is started i.e. £45,000 between November 2020 and December 2021.
- 5.9 The Scottish Government has allocated monies to local authorities to deliver **the Youth Guarantee Fund**. Scottish Borders Council has been allocated £623,186. The majority of this award will be used on staffing and committed before March 2021 so the funds can be carried forward to March 2022. A tight deadline was given for accepting the award and a working group of officials led by the Service Director Young People Engagement and Inclusion examined how best to make use of it. This led to the production of the delivery plan which has been submitted to the Scottish Government. This will be delivered by the Council's Community Learning and Development and Employment services supported by Economic Development.
- 5.10 It is intended that that the delivery plan will support 222 young people. Young people will be targeted in the following groups:
- Young people who face significant barriers to employment.
 - 16/17 year olds who are not eligible for Kickstart.
 - Young People who are not engaging with mainstream provision.
 - Care experienced young people.
 - Young people who are not in a positive destination.
 - Those with mental health issues including autism.
 - Young people from remote rural areas.
 - Young people with disabilities/ Additional Support Needs.

It is planned to work closely with partners to reach the more vulnerable young people who are most in need of employability support. These partners include the pastoral teams within secondary schools, Skills Development Scotland, Job Centre Plus and third sector specialist service providers.

- 5.11 Local Authorities are also to receive **Partnership Action for Continuing Employment (PACE)** funding to establish employ an officer who would be a single point of contact (SPOC) for PACE and a key worker to provide PACE support worker. Scottish Borders Council has been awarded £82,180. The current PACE partnership operation in the Scottish Borders is led by the local Skills Development Scotland (SDS) service and is very strong. In discussion with SDS and other partners it is considered that the most appropriate way to use this money is to strengthen the local PACE team, by appointing a PACE SPOC officer and PACE support worker within the Council. This will enhance services to existing and potential clients.

6. SOUTH OF SCOTLAND

- 6.1 A **South of Scotland Education and Skills Strategic Coordination Group** has established a sub-group of the South of Scotland Regional Economic Partnership (REP). The Group is chaired by Professor Russel Griggs and the

Council is to be represented the Service Director Young People Engagement and Inclusion.

6.2 The Group will focus on four key areas:

- Overseeing the implementation of the South of Scotland Regional Skills Investment Plan.
- Ensuring a robust, comprehensive, and regionally sensitive evidence base of labour market intelligence – to influence the shape of future education and skills provision.
- Developing innovative approaches to work-based learning delivery in the South of Scotland – to ensure that real or perceived barriers to participation from employers and individuals are overcome.
- Co-ordinating a coherent South of Scotland response to labour market challenges – including COVID-19 impacts, Brexit etc. to ensure that the skills system effectively supports economic recovery.

7 IMPLICATIONS

Financial

7.1 a) Apart from the Council's core funding of the Employment Support Services all the employability schemes mentioned in this report where the Council is involved are fully funded by the Scottish and UK Governments. The Council is looking to roll forward any underspends on these schemes into the financial year 2021/22 and where necessary it is working with the Scottish Government to achieve this. There may be required to be pay back grant assistance if carry forwards are not agreed.

b) Although the circumstance is unlikely to occur on short term placement schemes such as Kickstart', recruiting managers and budget holders should be aware that when an employee reaches two years continuous service with the Council they will have the same redundancy and redeployment rights as a permanent member of staff should such a situation arise. Additionally if an individual was previously employed by local government with less than a two week gap before joining the Council this will count as continuous service.

7.2 Risk and Mitigations

a) The key risk is that the Council fails to support the people in the Scottish Borders who are unemployed or being made redundant, especially young people, effectively and optimally. By failing to respond the Council also suffers reputational risk.

b) There is a risk that the Council might not be able to implement the schemes that are to be delivered through Kickstart, the Youth Guarantee Fund and PACE. This could involve the need to return funding to the UK and Scottish Governments. This also applies to existing Scottish Government funded programmes. To mitigate this the CMT Leadership Group is taken a strong role in overseeing the implementation of these programmes and a close dialogue is taking place with Scottish Government officials.

7.3 Integrated Impact Assessment

Tackling inequalities is key part of the work of on employability and every effort will be made to support disadvantaged individuals within the protected characteristic groups in the implementation of various schemes.

7.4 **Acting Sustainably**

Tackling unemployment is a key part of acting sustainably as involves working towards a fairer distribution of resources across society.

7.5 **Carbon Management**

The support for employability has no direct impact on carbon management.

7.6 **Rural Proofing**

The support for employability will cover communities and individuals in all parts of the Scottish Borders including rural areas.

7.7 **Changes to Scheme of Administration or Scheme of Delegation**

There will be no changes required to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals set out in this report.

8 CONSULTATION

8.1 The Executive Director Finance & Regulatory, Chief Legal Officer (and Monitoring Officer), Service Director HR & Communications, Clerk to the Council, and Communications team have been consulted on this report and comments received have been incorporated into the final report.

8.2 The Corporate Management Team have been consulted and its comments received have been incorporated into the final report.

Approved by

Executive Director, Corporate Improvement and Economy

Signature

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Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the email address below.

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