

To: ECONOMIC DEVELOPMENT COMMITTEE	Subject: NLC's Comments on The Scottish Executive Document; Developing Skills & Employability
From: DIRECTOR OF PLANNING AND ENVIRONMENT	
Date: 20 April 2000	Ref. SL/REP676.doc

1 Purpose of Report

- 1.1 To inform the Committee of North Lanarkshire Council's response, co-ordinated by The Economic Development Unit, to the request for comments from The Scottish Executive on their Discussion Document "Developing Skills and Employability; Training for the long term unemployed".

2 Background

- 2.1 Training for Work, the Scottish Executive's national training programme for unemployed adults was introduced in 1993 and provided a valuable contribution in the development of the employability of individuals to assist their recovery and integration into, or back into, the labour market.

- 2.2 Since the introduction of Training for Work, however, there have been significant developments which have altered the wider policy context in which it is delivered:

1. The introduction of the Welfare to Work agenda to assist a wide variety of unemployed and disadvantaged client groups to gain access to the labour market;

2. The establishment of the Scottish Parliament and its legislative powers across a variety of areas, including training, social inclusion, lifelong learning, and enterprise.

3. The development of the Social Inclusion agenda, where employment and training programmes are part of a series of wider anti-poverty measures to assist those most excluded, or at risk of exclusion, from society at large.

3 North Lanarkshire Council's Perspective

- 3.1 It was requested by COSLA that all local authorities give their comments on the consultation document and NLC's reply encapsulates the views of the Council's Economic Development, Community Services and Chief Executive's Departments.

- 3.2 The North Lanarkshire Council reply is at Annex A (attached).

4. Recommendations

4.1 It is recommended that the committee note the contents of this report.



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North Lanarkshire Council (NLC) response to “Developing Skills & Employability - Training for the long-term unemployed”

This document was developed to promote discussion on the Scottish Executive’s new proposals for training for the long term unemployed in Scotland.

The document identifies three key areas for the future development of Training for Work (TfW):

1. Complementing ‘Welfare to Work’ policies and offering support for skills development for those who wish to return to work.
2. Focus on basic and employability skills which will help individuals to access lifelong learning and jobs.
3. Improving linkages with employers and developing effective intermediaries who will help to ensure that training is relevant to individual and employer needs, and leads to sustained employment.

The Key Issues and proposals highlighted in the executive summary are that:

- It is proposed that individuals should generally continue to be eligible for Training for Work following a period of six months unemployment. However, in addition, where individuals have recurring spells of unemployment, they would be eligible for Training for Work where they have had at least six months unemployment during the previous twelve months.
- It is proposed that key early entry groups should be those who have a disability; those who require basic skills training; and those returning to the labour market. Early entrants should be able to enter Training for Work as soon as they become unemployed. Early entry should also be available for major redundancies. It is proposed that those over 50 should be able to enter TfW as soon as they become unemployed. This would recognise the difficulty people in this age group often have in returning to work, and the aim of encouraging increased labour market participation by over-50 year olds.
- Training for Work has the potential to spearhead a major drive to combat deficiencies in basic skills in the workforce, and to improve levels of literacy, numeracy and communication skills. It is also proposed that the Scottish Executive will set a target of 50% of Training for Work resources to be allocated to basic skills provision, with the aim of making a substantial contribution to individual employability and lifelong learning in the workforce.
- Greater emphasis on after-care and post-placement support for trainees taking up employed status opportunities.
- A more coherent evaluation system for tracking clients on the programme to determine sustainability of job outcomes should be developed (e.g. considering status of clients at 6, 9 & 12 month stage).
- LECS may also provide additional, discretionary financial support to clients to address barriers to participating on Training for Work. This can include assistance with travel fares, childcare assistance and the purchasing of specialist equipment.

- Intermediaries have a key role in helping clients identify potential job opportunities. In addition to job matching (clients with employers), intermediaries have a valuable role in offering post-placement support to help particularly disadvantaged clients sustain employment.

The document is broken down into five distinctive parts with input requested on each:

1. The wider policy context

Question. What should be the objectives of a training programme for long term unemployed adults?

NLC response. The discussion document comments that a coordinated strategy is crucial to ensure that the interventions which exist to assist the workforce to develop the skills required in the labour market are well targeted and avoid duplication.

A co-ordinated approach is needed to:

Provide robust labour market information and analysis.

Increase ownership by the individual of their employability.

Ensure transparent access to work based learning opportunities, including guidance and funding support.

Deliver a client-centred approach to meet the needs of individuals.

Continue the provision of learning opportunities for the workforce whilst in employment.

It states that TfW should complement and link effectively with:

New Deal 25 Plus

ESF funded employment and training projects.

Employment Service provision of support for job-search and training through Programme Centres.

Further Education provision for unemployed people.

Training programmes should be tailoring both pre-vocational and vocational skills to meet both current and future demand in the labour market.

In order that supply (in terms of training programmes) does meet demand in the labour market there must be readily available labour market information. This is an area where there could be said to be genuine market failure; there are jobs 'out there' but the unemployed are either not aware of them or do not know what to do / what it takes to access them.

Any training programme should foster a positive attitude to work and attempt to change perceptions of work as opposed to benefit as a means of survival.

Question. Is there sufficient coherence between TfW and other forms of support and learning for unemployed people?

NLC response. This comes back to taking a strategic, holistic and coordinated approach to TfW and undertaking a thorough examination of the external environment in relation to not only issues concerning developing skills but also encompassing all local economic development initiatives and/or national ones that might impact significantly upon the local economy. We have found that those who benefit most from TfW are those who are *frequent* returners to the labour market. It is felt that TfW, to complement other forms of support effectively, should be addressing this group.

2. The long term unemployed - The Policy Response

This chapter provides an overview of the trends in the long term unemployed in Scotland and their characteristics.

3. Training for Work - The current position: Key Issues and Proposals

Question. Which groups of unemployed people will benefit most from Tfw? At which stage of unemployment should Tfw be available for different groups?

NLC response. It is our experience that the most effective way of tackling unemployment is addressing it before it becomes 'long term unemployment' and a pattern of dependency sets in. The clients in these groups should be targeted with a focus being on those most excluded in society in line with current government thinking (i.e. the social inclusion agenda).

Question. What are key priorities for early entry to Training for Work? Is there a case for changes in eligibility to focus on groups with serious barriers to entering employment and which reflect changes in the labour market, for example extending eligibility to those with a number of short spells of unemployment and early entry for over-50 year olds?

NLC response. The labour market is dynamic by nature and should be closely monitored in order that the supply of Tfw initiatives reflect demand trends in the labour market. We have experienced first hand in North Lanarkshire the effect of the dwindling textile industry where we have witnessed employees being made redundant from one organisation and given assistance in being employed with another in the same sector only for them to be made redundant again due to a downturn in the industry as a whole.

There is also a requirement for assistance to be given to those who have a history of regularly being made unemployed (for example those who have been employed on short term contracts) and for employees who have received notification of redundancy (issue of 90 day notice).

Question. Is there a need to strengthen the assessment of individuals before entry to Training for Work to identify barriers to entering employment, and the type of training provision required?

NLC response. Clients referred to Tfw from New Deal 25 Plus or New Deal for Lone Parents will have benefitted from having a personal advisor assigned to them during the Advisory Process of the New Deal programme before progressing to Training for Work. However, a client referred to mainstream Tfw provision will not be eligible for the Personal Adviser Support. We feel that, where possible, this service should be offered to more (if possible all) clients providing the quality is not compromised.

Question. What should be the balance and relative priority between training in basic skills, occupational skills and customised training for employers?

NLC response. The breakdown in training should be, largely, demand led. The discrepancies in the make up of the long term unemployed in the different regions would also strengthen the argument for a certain amount of autonomy to be given to the regions. This should be qualified by giving precedence to those most excluded in society in line with current government policy (i.e. the social inclusion agenda).

This said, in North Lanarkshire, our experience has been that a large number of industries are demanding employees with basic skills such as a positive attitude to work, reliability, commitment, diligence and maturity of approach as opposed to the more technical vocational

skills. Our experience is that employers have displayed a willingness to pay for vocational training themselves if they can recruit employees with the right personal qualities.

Question. What is the right balance between flexibility in delivery at local level and ensuring that necessary support, for example, childcare, is delivered consistently to individuals across Scotland?

NLC response. We feel that there should be a certain amount of autonomy between the regions in order that they can address local problems with local solutions. It is felt, however, that there should be a minimum standard in areas such as childcare.

Also in terms of flexibility, it is felt that the overall impact of TFW will be enhanced considerably by improving its flexibility in order that as the national (economic development) environment changes, the danger of overlaps or confusion with New Deal is avoided.

4. Employers, employability and sustainable employment.

Question. How should basic skills delivery and provision be strengthened in support of the employability of the client?

NLC response. Individual training plans should be tailored to provide a bespoke package of training and support to each client, with progress to be monitored by their respective Personal Advisors.

Question. What are the employability skills and qualifications most valued by employers, particularly when recruiting from the long-term unemployed client group.

NLC response. We feel that consultation should be undertaken with the employers to establish what skills there are a genuine demand for. It is essential that training takes account of the changing face of the labour market and encompasses the skills required by employees and employers alike.

The experience of North Lanarkshire Council *as an employer* is that there is a lack of basic generic work skills and that more emphasis should, accordingly, be directed here. Evidence suggests that the Gateway element of New Deal has not had the impact with those young people most excluded from social and economic life. In Lanarkshire this has been addressed with the development of an "Enhanced Gateway" through the New Deal Strategic Partnership which will provide a much greater level of support to clients, the aim of which is to assist young people to overcome often multiple barriers to accessing the labour market.

Question. How should "employed status" opportunities on training for work be increased, particularly for more disadvantaged clients?

NLC response. If we are to effectively target the more disadvantaged clients we must provide incentives for employers to target these groups. Employers will not embrace this concept for purely altruistic reasons; they will naturally disregard whether or not a client is from a disadvantaged group and simply choose the best candidate for the job.

Question. How should the success of Training for Work in achieving sustained employment be measured?

NLC response. The proposed measures in the discussion document - in employment 12 months later, average duration of job held, success of trainees moving into full time employment following participation on the programme should be the key measures but should

be supplemented with some 'softer' measures, e.g. increased confidence in the job market, improved self esteem etc. The ability to evaluate and track participants continually is very important. Six months' employment could be seasonal or peak demand employment only i.e. Hotel and catering work or summer maintenance within parks departments etc. and should not therefore be regarded as sustainable employment. Nine months employment might appear to be unsuccessful and a poor return on any training investment. Over and beyond twelve months may be regarded as successful as the employment cycle would be regarded as complete after this time. We feel that we should also be measuring not only people going into jobs but also their subsequent progress in the workplace or those who go into customised training. The whole issue of how this should be delivered and funded should be linked to the operation and development of intermediary organisations.

5. Bridging the gap: developing closer partnership working

Question. What post-placement support systems should be available to support TfW clients progressing into employment? How should these be delivered and funded?

NLC response. The post-placement support suggests, an open door policy of mentoring for former trainees should be available for clients. In North Lanarkshire Council's Employment Grant Scheme, recruits are provided with mentoring support. This approach assists in job retention and support to the new recruit and, where applicable, their families. The employer also benefits through the human resource development process which will also assist in job retention. Mentoring should be viewed as part of a continuum of provision available to the unemployed and employers.

Question. What should be the measures of success of intermediary organisations in supporting sustainable job outcomes from Training for Work?

NLC response. The 'success measures' of the intermediaries should be as in '4' (above).

Question. How can greater linkage and coherence in local planning arrangements for TfW be achieved? Would New Deal Partnerships be appropriate for this purpose? What other agencies and partners should be involved in the planning process?

NLC response. Greater linkage at both a Scottish and at a local level should be developed in order that there is less duplication etc. This should be done by coordinating activity at a local level and linking activity to New Deal Partnerships, LECS, any economic development organisations and any other 'intermediaries'.

NLC is aware, through discussions with TfW training providers that the existing programme suffers due to the nature of its excessively bureaucratic procedure.

This is an important issue that should, in our opinion, be investigated and addressed. In addition payments to TfW Training Providers should reflect the individual commercial operation's ability to sustain non-payment until the training has been completed. 'Up Front' payments, should be considered in contracting with TfW training providers as opposed to the existing arrangement of payment in arrears.

Summation

The tone of the consultation paper indicates that "Employed Status" is the preferred route for the implementation of the Training for Work programme.

Employed Status involves the trainees being attached to an employer for the duration of a tailored training programme and receiving a full wage for it.

In cases where employers are taking part in the scheme with a view to producing a trained labour pool from which they can recruit, Employed Status is a good method of assessing trainees employability and other skills while on the programme.

The public sector, in the current climate of downsizing and budget restrictions, will encounter difficulty in utilising the Employed Status option of the Training for Work.

Prospective employers are looking to recruit from a labour pool that contains the skills and knowledge necessary in today's workplace. To assist the long term unemployed and those lacking in basic skills into sustainable employment, the programme must be able to equip them with all the training and experiences necessary in these areas. The proposal that 50% of resources from Training for Work be channeled into providing *basic employability skills* should help to equip them with these skills.

Steven Latta
20 March, 2000