

## **North Ayrshire Employability Workshop**

### **Note of discussion**

On Friday 28 September 2012, the Finance Committee held three workshops across Scotland with key employability stakeholders. The key themes from the workshop in Ardrossan, North Ayrshire, which was attended by the Convener, Kenneth Gibson MSP and Michael McMahon MSP, are summarised below.

#### **Workshop 1: representatives from the local employability partnership**

It was recognised that fundamentally the problem is a lack of job opportunities and demand in the economy;

A key challenge for public sector bodies was trying to get an understanding of the type of people that employers wanted to employ, and then providing them with a “bespoke service”. The vital element in providing employers with the individuals and skills they need is partnership working between employers and public sector agencies;

There was a feeling that they have got better at engaging with employers about their skill requirements which they didn't do as well in the past;

There was also discussion around the complex employability landscape in Scotland, and the myriad policies and schemes in place. There is a need to simplify the landscape, but this is not necessarily easy to do so;

Part of the problem stems from the various layers of government involved: UK, Scottish, Local Government, all with an interest and targets. As a result there are a number of bodies involved who are often “competing” with each other as their funding depends on them reaching their targets. Therefore, there is a need to look at the number of bodies involved and funding models;

When asked what might help them work more collaboratively, it was mentioned that co-location might help. The physical, close proximity of a shared space might aid understanding of what various partners were doing and why;

Barriers to co-operation included a lack of a common sets of objectives, funding and which partner gets the credit for positive outcomes;

Further challenges include the likely impact of welfare reforms and the shift into part-time working and zero hours contracts;

Asked whether big public sector employers were doing enough to help vulnerable individuals enter the labour market, they said they had made a start but could do more. A high percentage of NHS staff work less than 15 hours per week, therefore don't qualify for tax credits which is a disincentive to work;

There was a discussion about the importance of schools and housing to an area's employment prospects. Where there are good schools and housing stock, private sector companies will invest.

There is a need for local flexibility in order to be creative in meeting the challenges of the local labour market;

## **Workshop 2: representatives from the local business sector**

There was some concern regarding the poor quality of some of the candidates referred to employers from employment programmes;

Asked what the biggest barrier to employing someone was, there was a feeling that it is often the basic skills (3 Rs, soft skills, etc) which were missing;

There should be a statutory requirement in public sector contracts to employ local young people (possible point for the upcoming Procurement Bill);

Jobcentres are "target driven" and perhaps don't provide individuals with the one-to-one "mentoring" type support they require;

Asked about their relationship with public sector employment agencies, one employer said they were persistent but not joined up and that they often compete against each other;

There is not enough focus on asking employers what they need and there is little correlation between employment programmes and local vacancies;

The employment agencies focus too much on financial rewards for companies to recruit additional staff when it is the quality of candidates which is the main issue rather than money;

The education system is not fit for purpose in terms of getting school leavers ready for work;

The education system needs to work much more closely with business;

There is a need to build the right attitudes to work and a desire to get as early as primary school rather than 4<sup>th</sup> year when it is too late and negative attitudes are ingrained;

Mentoring, one to one support and work placements are an effective means of developing the right attitude;

Some employers are partners with local schools and the Chamber of Commerce are contracted by local authorities to work with schools on areas such as employment skills and interview techniques;

Placements are effective in developing the necessary soft skills such as workplace discipline but the DWP is not keen on longer term placements as the focus is on getting individuals into paid employment;

Lack of confidence among the unemployed is a key issue which work programmes need to address;

Experiences with Scottish Enterprise were mixed and there was some concern regarding the process for the allocation of grants;

Not enough public sector employees with experience of the private sector or of the challenges in running a company (the example was given of the economic development team at the council not having any business people on it);

Concerns were also expressed about the planning system in North Ayrshire which was slowing developments up. There is a culture where it's "easier to say no" to an application, because it's less risky/hassle;

Businesses should be allowed to get funding to provide training directly rather than funding being allocated to the employment agencies to provide training which is often not suitable;

Again there were concerns expressed with the Benefit system, which is geared up to permanent employment (eg difficult to work flexibly, say for 3 weeks, then go back on benefit). This isn't helpful, especially for sectors like Hotel and catering, which is more geared up to part-time working;

Many issues raised by Business groups were reserved: for example, reducing VAT on building work to 5%, get banks lending more money to business, more flexibility in benefit system, Quantitative easing not working, etc.

### **Workshop 3: representatives from third sector organisations**

Asked about the barriers to improving employability schemes in North Ayrshire, the following issues were cited:

- There is a feeling that agencies are less joined up now than they were even 2 years ago;
- There is a need to co-design and co-produce services;
- Problem of low demand in the economy was again raised;
- Work programmes are done on the cheap;
- The compulsory component of the benefit system was deemed counter productive;

- The time available to deal with people and help them turn things around can often be long term. Therefore, employability programmes should not have set timeframes, but allow flexibility to have longer schemes if an individual needs it;
- There is a need to build the confidence and self esteem of people within the school system. Therefore, there could be support for employability programmes and entrepreneurship programmes within school;
- The focus should be on giving young people the right attitude for employment;
- Confidence, self-esteem and trust are the starting points and we shouldn't pre-judge people but unlock their talents;
- There is too much focus on targets and numbers and there is a need to include soft skills when measuring outcomes;
- However, funding is currently dependent on counting the number of individuals who find work;
- The emphasis of employability programmes should be on quality and not numbers/targets. This is something that could be dealt with in the procurement process where greater weight in the tendering for employability schemes could be given to the quality/time/intensity of the intervention rather than the numbers being put through the intervention. Feeling that the evaluation of programmes was geared 60% price, 40% quality when it should be the other way round;
- There is too much emphasis on funding programmes for young people;
- Government rhetoric on the third sector doesn't translate into the local level, for example, local authorities are taking many services back in-house to save jobs and this has a negative impact on the funding of the third sector;
- There is a need for a more consistent approach across local authorities;
- Asked about the role of Health Boards and Local Authorities as employers of vulnerable individuals, there was a feeling that North Ayrshire was pretty good. For example, it has recently trebled the number of Modern Apprenticeships which it employs;
- The NHS was seen as more difficult to work with;
- Generally, the view was expressed that the private sector was much better at taking on vulnerable individuals than the public sector.

In terms of action the Scottish Government could do, the following was raised:

- Provide less short term funding;
- Be less reactive, more long term in approach;

- There needs to be much more accountability and transparency in relation to what the employability budget is being spent on and outcomes;
- We have a small enough population to know where problems are, so target funding;
- The priority should be on a one to one focus.

#### **Workshop 4: service users**

The lack of jobs was again the main theme of the session;

Many jobs call for the experience, but “how can you get experience if you don’t have work”;

There was a consensus that the most effective work programmes are those which focus on positive thinking, confidence building and team working;

There was a feeling among participants above the 18-24 age bracket that most of the interventions were geared towards the young, and the older long term unemployed were therefore at a major disadvantage. This is especially a problem for women who have been out of the labour market to look after children and were now seeking a return;

However, there was also a view that even 21 was seen as too old for many work programmes which focus on 16-19 year olds;

All had mainly negative experiences with the Jobcentre and DWP. Cited lack of flexibility in signing on times, the unwelcoming, intimidating environment of the Jobcentre;

There is also inconsistency in the advice provided by the DWP, for example, in relation to receiving benefits while on training courses;

There was some criticism of the training courses offered which are viewed as being mass produced and generic and not tailored for individual or local needs and they are often compulsory with no tangible benefits;

There is not enough focus on individual needs who often feel that they are just a number.

**Kenneth Gibson MSP**  
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