

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE

18th SEPTEMBER 2013

EMPLOYABILITY SERVICES

Report by Director of Planning and Development

Agenda Item	9
Report No	PED 58/13

Summary

This report updates Members on Employability Services activity during 2013/14 and 2014/15 and sets out budget proposals to manage this activity over both financial years prior to the introduction of the new 2014 - 2020 European Programmes.

The work of the Employability team supports the Council's Working Together for the Highland's Programme, the Single Outcome Agreement and complements the Preventative Spend measures by assisting people to obtain employment and improve individual and community wellbeing.

1. Background

- 1.1 Members will be aware from the reports presented to them in March 2013 and May 2013 of the activity planned for 2013/14 and its associated revenue budget and external funding requirements. Since this time the Employability team has secured an additional £80k from the Scottish Government to pilot during 2013/14 an annualised contract initiative to ensure 22 young people gain permanent employment following their temporary work during the summer 2013 tourism season. In addition, it is clear that the new European Programmes will not be operational for the start of the financial year 2014/15
- 1.2 Programming activity and spend over multi financial years can lead to difficulties in controlling budgets. This presents an inherent financial challenge as actual and committed spend does not always neatly fit the financial year.
- 1.3 This work is particularly challenging when certain aspects of the budget are for grant funding, i.e. grants up to 12 months in length, and therefore commitment and spend is effectively determined by business and not the Council. Uptake however, can be influenced by marketing activity and grant awareness in the business sector and therefore experience suggests that sustaining a grant scheme over a period of time is beneficial for all. Businesses (or indeed Council Services) know it exists and can plan for it and the regular uptake and spend achieved allows for improved budget management.

2. Budget Management 2013/14 and 2014/15

2.1 The Employability team's activities which require finance across more than one year are the:

- Graduate Placement grants to business;
- Create and Employ project which provides both specialist recruitment advice to business to create jobs and is accompanied by a wage incentive to do so;
- Youth Trainee scheme which, while internal to the Council, incurs programmed spend over financial years;
- Commissioned Services – spend can be programmed within the financial year but contracts/funding are multi annual.

2.2 At the current time all schemes are up and running with funding in place but the Create and Employ, Youth Trainee and Commissioned Services are currently part funded by European Social Fund. When this funding package is fully utilised, activity will need to be reduced by 50% or the funding shortfall made up by the Council to sustain activity until the new European Programme funding becomes available. At the current time, while there is no confirmation that employability activity will be funded by the new European Programmes, it can be assumed that, as it is a European priority, some provision will be made.

2.3 The funding packages currently in place will vary in length due to activity type, uptake and the length of commitments. For example, a 12 month grant to a business to take on a young person offered in November 2013 will secure 50% Council and 50% ESF grant until September 2014 and thereafter will require 100% Council funding. Some activity will effectively finish in and around September 2014, while others will end earlier.

2.4 There is a need to manage the budget in 2013/14 and ensure funding to make up the required funding package will be available in 2014/15 to enable the projects running into 2014/15 to continue at the current level until end 2014/15. It has been proposed by the Finance Service that a request to 'earmark' the funds be made, which would make the funds available for use in 2014/15. If Committee is agreeable to this, a request will be made to the Finance, Housing and Resources Committee. Should this be agreed the 2013/14 budget will be reduced to reflect the funds earmarked and the Service will report a nil variance during 2013/14. It is estimated that £400k will be earmarked following the Finance, Housing and Resources Committee decision and this figure will be reviewed at year end.

3. Implications

3.1 Resources: The proposal contained in this report seeks to manage the Employability budget during 2013/14 and 2014/15 to maximise external funding secured yet maintain momentum with the current range of activity until the 2015/16 financial year, when it is anticipated that the new European Programmes will commence.

- 3.2 Risks: It takes some time to establish employability programmes both internally with Services and externally with the business community and this has now been achieved. Any reduction or delay in employability activity potentially will adversely impact on this momentum and the proposal outlined seeks to address the risk of this taking place.
- 3.3 Equalities: The Employability Service aims to tackle identified socio-economic inequalities.
- 3.4 Climate Change/Carbon Clever: There are no direct Climate Change or Carbon Clever implications arising from the Report.
- 3.5 Legal: There are no direct Legal implications arising from the Report.

Recommendation

Committee is recommended to agree that a request be made to the Finance, Housing and Resources Committee that £400k from the 2013/14 Employability budget is earmarked for use in 2014/15 to sustain employability activity during the period when there is no match funding remaining from the 2007-2014 European Social Fund. The final earmarked figure will be revised at year end and reported to Committee.

Designation: Director Planning and Development

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Background Papers: