

THE HIGHLAND COUNCIL

PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE

12th February 2014

Agenda Item	9
Report No.	PED 11/14

EMPLOYABILITY SERVICES

Report by Director of Planning & Development

SUMMARY:

This Report updates Members on the Youth Employment Scotland funding received from the Scottish Government and the budget implications for 2013/14 and 2014/15.

The work of the Employability team supports the Council's Working Together for the Highland's Programme and the Single Outcome Agreement and complements the Preventative Spend measures by supporting business growth, assisting people to obtain employment and obtain maximum benefit from EU Funds.

1. Funding Update

- 1.1 Members will be aware that in September 2013 the PED Committee considered a report which outlined the employability services to be undertaken by the team during 2013/14 and 2014/15 and set out budget proposals to manage this activity over both financial years prior to the introduction of the new 2014-2020 European Programmes. Members agreed to a request being made to the Finance, Housing and Resources (FHR) Committee that £400k be taken from the 2013/14 Employability budget and earmarked for use in 2014/15 to sustain employability activity during the period when there is no European Social Fund match funding. It was noted that the final earmarked figure would be revised at year end and reported to Committee. The FHR agreed to this request at their meeting in October 2013.
- 1.2 As reported in the Good News items at the start of the January 2014 PED Committee, the Employability team have also recently secured grant of up to £223k from the Scottish Government to:
 - Support up to 18 young people to progress from seasonal employment to full time work in the tourism sector
 - Support up to 6 posts as a continuation to the Community Jobs Initiative previously managed by SCVO
 - Support 22 additional youth trainee placements within the Council
 - Support up to 22 Council Intern placements.
- 1.3 This funding has been secured from the Scottish Government as part of their Youth Employment Scotland (YES) fund. While the Tourism and Community Jobs Initiative jobs are new and essentially fully funded, the Youth Trainee and Council Intern Placements are additional to current activity already underway and require

some additional Council funding to make up salary differences between National Minimum Wage and actual costs incurred based on payment of living wage. Due to the time limited nature of the YES funding, it has been necessary from a financial management perspective to pause the financing of activity from the current Council and ESF funded programmes and fund current activity from the YES funding. Once this funding is exhausted the team will recommence the joint Council and ESF funded programmes. These programmes will continue to approximately September 2014 (or when the current ESF funding runs out) before the Council then fund activity 100% to the 2014/15 year end.

- 1.4 As further clarification is required as to which financial year the YES funding will be received, in practice the Council will need to fund the YES activity before reclaiming from the Scottish Government.
- 1.5 It is proposed at the May 2014 PED Committee to bring forward to Members a detailed report on activity undertaken during 2013/14 and the outcomes secured before outlining a proposed programme of activity during 2014/15. It is anticipated that the 2014/15 revenue budget, together with the earmarked funds in place, will allow current activity to continue through to end March 2015 and enable some additional activity to be progressed. For example, at the current time some employers are utilising an Employment grant to employ an unemployed young person, but they also ensure the young person then commences on a Modern Apprenticeship training programme. Preliminary work is progressing to determine whether additional support can be provided to encourage more employers to do this.

2. Estimated Budget Out-turn 2013/14

- 2.1 Members will be aware from the September 2013 Committee report that programming activity and spend over multi financial years, from internal and external sources, can lead to difficulties in managing budgets. This presents an inherent financial challenge, as actual and committed spend does not always neatly fit the financial year, and spend on grants to business is effectively determined by business and not the Council.
- 2.4 As previously indicated to Members in September 2013, the budget out-turn for 2013/14 will inform the final earmarked figure for use in 2014/15. At the current time further clarification is required to determine if the underspends, currently experienced with the Graduate Placement and Intern schemes (grant commitments made but not all grant claimed), can be released or require to be added to the earmarked balance for activity in 2014/15.

3. Implications

- 3.1 Resource implications are detailed in Sections 1 and 2 above.
- 3.2 There are no direct Risk, Equalities, Climate Change/Carbon Clever or Legal implications directly arising from this report.

4. Recommendations

- 4.1 Members of the Committee are requested to note the details of the Youth Employment Scotland funding received from the Scottish Government and the budget implications for 2013/14 and 2014/15.

Designation: Director of Planning and Development
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Author: Bob MacKinnon, Employability Team Leader
Andy McCann, Economy and Regeneration Manager