

The Highland Council
Planning, Development and Infrastructure
17 February 2016

Agenda Item	8
Report No	PDI 06/16

Employability Update

Report by Director of Development and Infrastructure

Summary

This report provides Members with an update on the 2014-2020 European Programmes for employability related activity and seeks delegated decision making authority linked to the 2016/17 Deprived Area Fund.

The work of the Employability team directly supports the Council's Programme of support for the Highland economy and specifically helps with the creation of jobs and efforts to help people who are unemployed and to assist young people who have left school to access training, education or work.

1. European Programmes

- 1.1 In November 2015 Members approved a refreshed purpose and activity plan for the Employability Team including a four year suite of activity to be part funded by the European Social Fund (ESF) and European Regional Development Fund (ERDF). Significant national delay has, and continues to be experienced with the pull down of EU funds.
- 1.2 Despite these delays the Employability Team has continued, where possible, to sustain its activity, for example, the specialist recruitment advisory service to encourage business to create new jobs has continued, the graduate placement scheme, and the temporary Employment Grant Scheme. Other activity which first requires a defined and secured budget to allow procurement of providers to proceed has not taken place. As soon as European approval is secured this full package of activity will be initiated.
- 1.3 In February 2015 Members were alerted to the specific impact the national delay with the EU funds was having on a number of Third Sector providers in Highland (Calman Trust, New Start, Merkinch Enterprise and the Shirlie Project) who had previously secured European funds to support their activity. At that time, to ensure client services and organisational capacity could be retained, Committee agreed in the interim, before the new ESF Programme funds were allocated, to provide replacement funding. While the intention was to reclaim these funds from the Scottish Government/EU, it was recognised at that time that this was 'at risk'.

- 1.4 Given the continued delay with the introduction of the new ESF Programme, the need for this support has continued longer than anticipated and, if it had not been provided, operational capacity and service provision within each organisation would have been adversely affected to a severe degree. The funding provided to date and outcomes secured are listed below:

Third Sector Provider and Activity	Clients	Outcome	Funding to date (Est. annual)
<u>Calman Trust:</u> Working with vulnerable and marginalised young people aged 14-25 who have left school or about to leave school; offering support package of accredited and vocational training.	89	58 Qualifications 18 Employment	£142,574 (£190,824)
<u>New Start:</u> Working with individuals whose health conditions limit their opportunity to secure employment; offering group and individual coaching and mentoring, access to courses and accredited training and work activity in a real work environment.	131	39 Qualifications 22 Employment	£120,025 (£248,025)
<u>Shirlie:</u> Providing a supported employment package to clients and employers; offering on the job training to individuals with support issues such as learning, physical, and mental health issues.	78	26 Employment	£75,590 (£103,590)
<u>Merkinch Enterprise:</u> Providing IT Training Courses to unemployed individuals to improve IT skills to aid their access to employment.	23	9 Qualifications 9 Employment	£16,773 (£22,454)

- 1.5 In anticipation of further delay with EU funding post 1 April 2016 and reduced Council funding availability, discussions have taken place with each of the organisations involved to determine how best to support continued activity, and retain organisational capacity during this period (anticipated April to end June 2016). This work continues and any support needed/provided will vary between each organisation, and will be at reduced levels.

2. Deprived Area Fund

- 2.1 The Planning, Environment and Development Committee in August 2013 approved the purpose, criteria, targeting and funding allocation for the Deprived Area Fund. Also, since this time, the appropriate Area Committees have had delegated responsibility to make decisions on the allocation of the Deprived Area Fund. Normal practice at this time of year would be that the current Area Committees would be making grant allocation decisions ahead of the forthcoming financial year.

- 2.2 In light of the current Council budget deliberations, and significant review of activity and associated budgets, decisions on the allocation of the Deprived Area Fund have been delayed until after the budget setting process is concluded on 25 February 2016. At this time the Service will then know the level of resource available for a Deprived Area Fund in 2016/17, and will be able to utilise as required the new Local Committees to make grant decisions.
- 2.3 In some areas the Deprived Area Fund supports activity that runs year round. Therefore for some activity if it is to commence 1 April 2016, it will require approval ahead of the relevant Local Committee. In anticipation of this situation arising, it is proposed that delegated powers are given to the Director of Development and Infrastructure, in consultation with the Local Chair, to make decisions, if required, on grant funding that cannot wait until the relevant Local Committee meets. Prior to any delegated decisions taking place efforts will be made locally to consult with local members.

3. Implications

- 3.1 **Resource**
Council interim financial support for Third Sector organisations in lieu of ESF resources and Deprived Area Fund is subject to budget availability as detailed above.
- 3.2 **Equalities**
The Employability service seeks to tackle socio-economic inequalities by supporting young people and adults not in work to progress towards and into sustained employment, thereby helping clients exit poverty to improve health and wellbeing. The continued delay and uncertainty with the EU Programmes, and the Council's ability to support third parties to provide services for such young people and adults, will inevitably impact on the number of people and range of services supported.
- 3.3 **Risks**
The Council has established processes for managing the risks inherent with grant aided funding. Due to the uncertainty with the new EU Programmes it is unclear as to the level of funding, if any, can be retrospectively claimed for the financial year 2015/16.
- 3.4 **Legal, Climate Change/Carbon Clever, Gaelic and Rural**
There are no direct legal, climate change/Carbon Clever, Gaelic or rural implications arising from this report.

Recommendation

Members are asked to:

- note the ongoing delays with ESF funds for employability and role of the Council in supporting this activity; and
- delegate authority to the Director of Development and Infrastructure, in consultation with the Chair of Planning, Development and Infrastructure, to make decisions, if required, on the allocation of the Deprived Area Fund 2016/17 ahead of the appropriate Local Committee to enable activity to commence early in April 2016.

Designation: Director of Development and Infrastructure

Date: 28 January 2016

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