

## Budget Template

<b>Service</b>	<b>Development and Infrastructure</b>			<b>Ref.</b>	<b>D&amp;I/3</b>
<b>Activity Heading</b>	<b>Employability Service</b>				
<b>Savings Name</b>	<b>Reduction in Employability Team and Grants to Third Parties</b>				
<b>Current Budget (£m)</b>	<b>£1.620m</b>	<b>Current Staffing (FTE)</b>	<b>11.78</b>		

### Detailed Description of Savings Proposal

The Employability Service provides services that both support individuals prepare for and access work but also services that support employers to create jobs. The scale of the savings proposed has required both aspects of service provision to be reviewed and reorganised including deletion of activity.

Reduce the Recruitment and Employability Adviser team (from 8.78 to 4 advisers plus 1 project officer). This team provides 1:1 advice to unemployed clients to help them prepare for and access work and they work locally to co-ordinate Council activity with partners and local third sector providers.

Reduction in work club, employment and skills project funding.

Reduction in number of Council/European funded job creation grants to private sector.

10% reduction in the level of funding to third sector organisations providing deprived area community and employability related activity/projects.

Financial Year	Savings £m	Staff Impact FTE
2017/18	0.610	4.78
2018/19	0.270	
2019/20		
Total	0.880	4.78

### Service Impact

Significant impact on service

### Which aspects of the service will stop?

Support for a range of community and employability projects will continue to be targeted via Deprived Areas Funding but the proposal is to change to commissioned activity from the Council's third sector framework providers. This will allow match ESF resources to be secured and activity to be better targeted to individual needs (approx. 1000 clients) and complements current arrangements with Highland's third sector providers to access ESF resources.

The Recruitment Incentive for business will stop with 165 less jobs created and £263k less European funds utilised over 3 years.

### Which other aspects of the service will change significantly and how?

The advisory support offered will result in risk of 100 clients per annum not securing 1:1 client centred support to enable them to progress towards and into sustained work; 100 businesses per annum not securing recruitment advice to help them correctly identify and recruit the right staff (80 jobs created in 2015/16).

The change in work club support will result in a 50% reduction in grant support to third sector organisations who run work clubs and 78% reduction in employment and skills projects, for example, in 2015/16 £25k for Modern Apprenticeship project; £30k Shared Apprenticeship Scheme, £25k for Science Academy.

### Customer Impact, Including Equalities, Rural & Poverty Implications *(please reply YES or NO to questions 1-3 below)*

1. Will the change impact positively or negatively on particular groups of customers or in particular places? (YES/NO)

**YES**

If no, state why	
If YES, state why	<p>The target client groups to benefit from the Employability adviser support are individuals who are excluded from the labour market and who face particular barriers to overcome the disadvantage they face in preparing for and sustaining employment. It is small/micro businesses who need employment advice to recruit staff for the first time. This will result in a significant reduction of service to vulnerable client groups particularly in rural and deprived areas. Reduction in number of advisers is likely to impact more on rural areas. Equality groups (in particular disabled people, but also young people, women and ethnic minorities) are potentially affected. Poverty impacts are potentially high – a reduction in service will affect the life chances of people seeking employment and routes out of poverty.</p>
Mitigating action	<p>Maintenance of minimum staff to manage ESF support for third sector providers, thereby pulling down ESF resources and securing some 1:1 support beyond the minimum delivered by DWP/SDS.</p>
2. Do other savings proposals impact on the same group of customers? (YES/NO)	<b>YES</b>
3. If equalities impacts are identified above, a full impact assessment is needed. Is new information required to be gathered for that e.g. consultation with groups affected? (YES/NO)	<b>YES</b>
<p><b>Equalities Summary</b>  Full equality impact assessment undertaken and significant impact on groups identified in particular disabled people, but also young people, women and ethnic minorities, and significant socio-economic impact identified.</p>	