

REPORT TO: COMMUNITY PLANNING BOARD ON 27 AUGUST 2009

**SUBJECT: FAIRER SCOTLAND FUND MORAY ASSISTED
RECRUITMENT SCHEME**

BY: COMMUNITY PLANNING AND DEVELOPMENT MANAGER

1. REASON FOR REPORT

1.1 That the Community Planning Board is asked to approve the use of the Fairer Scotland Fund as a match fund in the development of the Moray Assisted Recruitment Scheme.

2. RECOMMENDATION

2.1 That the Community Planning Board approves the use of the Fairer Scotland Fund as a match fund in the development of the Moray Assisted Recruitment Scheme.

3. BACKGROUND

3.1 The Scottish Government announced as part of the Concordat between it and Local Government that a new fund would be created aimed at tackling poverty and deprivation across Scotland. Nationally the fund will total £435 million in total over three years and is part of the local government settlement. An allocation has been made to Moray totalling £1,265,000 over the next three years to enable the Community Planning Partnership to work to tackle poverty and disadvantage.

3.2 At the Community Planning Board meeting on 29 May 2008, a proposal outlining the key objectives for the use of this fund for Moray to tackle poverty was presented for approval and thereafter submitted and approved by the Scottish Government. The three key areas identified for Moray on which the focus of the fund will be targeted are:

- Regenerating the most disadvantaged areas
- Improving life chances for Individuals and groups experiencing poverty and disadvantage
- Improving employability

3.3 An outline funding proposal has been developed utilising Fairer Scotland Fund as a match fund with LUPS(Lowland and Upland Scotland) European Funding (Priority 2) and the Department of Works and Pensions (DWP) Future Jobs Fund for the development of project for a Moray wide apprenticeship scheme.

3.4 The proposed scheme is aimed at young people aged 16 – 24, who have been identified as facing disadvantage in their ability to move on into better

paid employment and/or the achievement of sustainable employment. The scheme will provide a minimum of 2 years employment for a maximum of 30 young people with the opportunity to gain an accredited SVQ level 2 as a minimum and in some cases level 3 qualifications. (please note there are 2 alternative funding packages for 30 and 25 young people see 3.7)

- 3.5 It is envisaged that the employment will be provided by a number of local employers including Community Planning partners, private sector employers, the voluntary sector and social enterprise organisations. The occupational sectors targeted will be prioritised based on local labour market needs and already projected/known skills gap.
- 3.6 Guarantees will be sought from participating employers to retain the young person in employment for a further 12 months following the end of the 2 year period and that there will be no displacement of existing employees. It is expected that if all funding is approved this project will commence with effect 1 May 2010.

3.7 Option 1

The total value of the funding package for 30 young people is £738,060, with the following contributions:

LUPS, ESF Priority 2 Grant request:	£	332,127
Fairer Scotland Fund	£	246,433
Skills Development Fund Scotland (SVQ costs)	£	45,000
Future Jobs Fund	£	97,500
The Moray Council	£	17,000

Option 2

The total value of the funding package for 25 young people is £620,050 with the following contributions:

LUPS, ESF Priority 2 Grant Requested	£	279,022
Fairer Scotland Fund	£	205,028
Skills Development Scotland (SVQ costs)	£	37,500
Future Jobs Fund	£	84,500
The Moray Council	£	14,000

- 3.8 At the Social Inclusion Implementation group meeting on the 28 July 2009 agreement was reached for the use of the Fairer Scotland Fund to the maximum value of £246,433 as part of this funding package.
- 3.9 At the Economic Development and Infrastructure Committee 18 August 2009 approval was given for a maximum of £17,000 a 5% contribution towards the ESF grant project (relates to Option 1) . This is a legal minimum requirement of lead applicant contribution required by ESF priority 2.
- 3.10 The deadline for the outline proposal to be submitted to LUPS ESF priority 2 for 2009/2010 was the 14th August. At this stage the proposal is an outline idea and there are no legal or other commitments binding.
- 3.11 There is no confirmation of other match funding at this stage.

4. **SUMMARY OF IMPLICATIONS**

(a) Single Outcome Agreement/Service Improvement Plan

The Fairer Scotland Fund is closely aligned to the Single outcome Agreement and any investment in the fund will contribute towards the actions and outcomes contained in the SOA.

(b) Policy and Legal

The Moray Council has a statutory Duty under the Local Government in Scotland Bill 2003 part 2 section 16 (1) to initiate, maintain and facilitate the process of Community Planning. The introduction of a 'Duty of Community Planning' through the Local Government (Scotland) Act 2003 emphasises the importance of considering social inclusion in the Community Planning process. The Scottish Government announced as part of the Concordat between it and Local Government that the Fairer Scotland Fund would be established to assist in tackling poverty and deprivation across Scotland.

(c) Resources (Financial, Risks, Staffing and Property)

The allocation has been ring fenced in the first two years of the spending review period to ensure Community Planning Partnership engagement in driving "strategic investment of these resources".

The funding allocation for Moray from the Fairer Scotland Fund is:

2008/09 £343,000

2009/10 £422,000

2010/11 £500,000

In addition a balance of £3,306 was carried forward from various funds from 2007/08.

The total amount spent from the Fairer Scotland Funding in 2008/9 was £197,216 (this includes staff and running costs). The unspent funds of £149,090 were approved by the Scottish Government to carry forward into 2009/10.

The total funding available for the two years 2009 to 2011 is £1,071,090, within which £230,000 relates to staffing and running costs, if the funding proposals on a separate paper to this board are accepted then there will be a balance of £521,667 available for allocation.

Funding available to allocate 2009-2011	Proposed funding	Balance of funding available
£841,090		£521,667 (see report on Fairer Scotland)

		Fund tabled at this meeting)
Moray Assisted Recruitment Scheme	£246,433 (Option 1)	£275,234 (Option 1)
	£205,028 (Option 2)	£316,639 (Option 2)

Assuming the proposed allocation of funding is approved as listed the amount left to allocate from the fund till March 2011 would be £275,234 (Option 1) / £316,639 Option 2)

(d) Consultations

The development of this idea has been borne from research carried out by the Fairer Scotland Fund including the Citizens Panel and through discussion with key stakeholders including the Employer Coalition.

The Social Inclusion Implementation Group assessed were consulted and agreed to the use of the Fairer Scotland Fund as part of a larger funding package towards the development of the Moray Assisted Recruitment Scheme.

The Head of Financial Services has been consulted and agrees with the financial implications in this report.

5.0 CONCLUSION

5.1 The Community Planning Board is asked to approve the use of the Fairer Scotland Fund as part of a larger funding package towards the development of the Moray Assisted Recruitment Scheme.

Author of Report: Jacqui Taylor
Background Papers:
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