

**REPORT TO: COMMUNITY PLANING BOARD ON 27 MAY 2010**

**SUBJECT: MORAY ASSISTED RECRUITMENT SCHEME**

**BY: THE MORAY COUNCIL, COMMUNITY PLANNING & DEVELOPMENT MANAGER**

**1. REASON FOR REPORT**

1.1 This report asks the Board to consider the next step for the Moray Assisted Recruitment Scheme (MARS) programme now that the European Funding Element has been unsuccessful.

**2 RECOMMENDATION**

**2.1 That the Board is asked to consider and decide on how to proceed with the Moray Assisted Recruitment Scheme (MARS)**

**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.

3.2 At the community Planning Board held in August 2009 it was agreed that following consideration the Board approved the use of the Fairer Scotland Fund as a match fund in the development of the Moray Assisted Recruitment Scheme. It was further agreed that where possible, partners consider taking up some of the places on the scheme.

3.3 The employment was to be provided by a range of employers from different sectors including Community Planning Partners, private employers and the Voluntary Sector. It was also expected that there would be a percentage of job opportunities within the Social Enterprise sector. The occupational sectors targeted were prioritised based on local labour market needs and already projected potential skills gap. Expressions of interest from companies was sought with re-assurance from participating employers, that no displacement of existing employees will take place. Preference would be given to those, who will commit themselves to a further 12 months of employment of beneficiaries following completion of the project. However, if at end of the 24 months, the employer is unable due to economic circumstances, to offer longer term employment, support will be provided to the young person to find other employment. Following work carried out by the

FSF manager 30 potential positions were identified and employers are now waiting for a response. The achievement of the apprenticeship qualification will ensure their increased competitiveness in the labour market.

- 3.4 Whilst all beneficiaries will be in employment at the start of the project, it is anticipated that this particular disadvantaged group will need extra allowances at the start of the scheme and appropriate financial support for initial clothing allowance, travel / childcare support has been built into this project.
- 3.5 An outline funding proposal was 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. The Future Jobs Fund bid supporting 15 apprenticeships was successful. A bid was submitted for the European Finance and we were advised on 10 May 2010 that the bid had been unsuccessful.
- 3.6 The Fairer Scotland Fund would contribute £257,000 as original matching to provide the 30 posts. The project still has secured sufficient match funding with a combination of the existing Fairer Scotland Fund and Future Jobs Fund to create 15 apprenticeships. These positions would have to be clearly with organisations or companies that provide community and social benefits
- 3.7 The Department of Work and pensions have provided £97,500 for 15 posts. Skills Development Service will provide support for each apprentice at £1,500 for SVQ costs.
- 3.8 At the Economic Development and Infrastructure Committee 18 August 2009 approval was given for a maximum of £17,000 to match the bid.
- 3.9 The funding is available to run a reduced scheme though approval would now have to be made by the Councils Policy and Resources committee and to allow the Council contribution to be spread over the life of the scheme.
- 3.10 Recent evidence from research undertaken by the Fairer Scotland Fund has indicated an increasing difficulty for employers to provide jobs with training to young people due to the economic downturn. Indeed, when the economy recovers, there is a real risk that employers will fill upcoming vacancies predominantly from those who have been short term unemployed, with the impact that those who are farther from the work will become increasingly marginalised.
- 3.11 Work has been carried out with local employers to encourage their involvement and they are keen to get the process started.

- 3.12 It was proposed that the project would employ a part-time development worker, to provide the necessary support for the apprentice and employers and work in partnership with the various partnership agencies. If a decision is taken to progress the scheme consideration will be given to identifying existing posts within the Councils Employment Support Scheme workforce to provide support to the scheme which may allow for more resource to be diverted to creating apprentice positions.

#### 4. **SUMMARY OF IMPLICATIONS**

**(a) Outcome Agreement**

To implement the Social Inclusion Strategy is a Key Action within the SOA under Local Outcome 3; Inequalities in Moray will be addressed and contributes to National Outcome 7 – We have tackled the significant inequalities in Scottish society.

**(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.

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

The allocation of Fairer Scotland Fund 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 ring fencing was removed in 2010/11.

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

2010/11 £410,000

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 £149,091 were approved by the Scottish Government to carry forward into 2009/10.

The total funding available for the two years 2009 to 2011 is £981,091, within which £216,617 relates to staffing and running costs, which leaves the balance of £763,474 available for allocation.

**FSF Funding**

<b>Projects</b>	<b>Funding Committed</b>	<b>Balance of funding available</b>
Funding available to allocate 2009-2011		£763,474
Funding awarded to projects (as at 31/3/10)	£506,474	

**Moray Assisted Recruitment Scheme (MARS) £257,000**

**Total funding allocated £763,474**

**Cost of Adjusted Moray Assisted Recruitment Scheme**

<u>Income</u>	£	2010/11	2011/12	2012/13
<b>Fairer Scotland Fund</b>	257,000	83,495	130,245	37,250
<b>Skills Development Scotland</b>	22,500	8,438	11,250	2,812
<b>Future Jobs Fund</b>	97,500	36,563	48,750	12,187
<b>The Moray Council</b>	17,000	17,000		
<b>Total Income</b>	<b>394,000</b>	<b>145,496</b>	<b>190,245</b>	<b>52,249</b>

<u>Cost of Moray Assisted Recruitment Scheme</u>	£	2010/11	2011/12	2012/13
<b>15 Places over 2 years</b>	327,990	120,742	160,990	40,248
<b>Flexible Intervention Fund</b>	7,500	3,750	3,750	
<b>SVQ Awards</b>	22,500	7,500	7,500	7,500
<b>Staffing inc travel</b>	36,010	13,504	18,005	4,501
<b>Total Cost</b>	<b>394,000</b>	<b>145,496</b>	<b>190,245</b>	<b>52,249</b>

**(d) Consultations**

Financial services, the Principal Development Officer in Economic Development and Head of Community Care Services Community Services within the Moray Council have been consulted and their comments have been incorporated into the report.

**5. CONCLUSION**

**The Community Planning Board is asked consider how it would like the Moray Assisted Recruitment Scheme to progress.**

Author of Report: John Ferguson, Community Planning and Development Manager

Background Papers:  
Ref: