

REPORT TO: POLICY AND RESOURCES COMMITTEE ON TUESDAY 22 JUNE 2010

SUBJECT: FAIRER SCOTLAND FUND

BY: CHIEF EXECUTIVE

1. REASON FOR REPORT

- 1.1 The Policy and Resources Committee is asked to consider the Fairer Scotland Fund's contribution be spread over the three years of the scheme.
- 1.2 This report is submitted to Committee in terms of Section A (2) of the Council's Administrative Scheme relating to the regulation and management of the finances of the Council in accordance with the policies determined by the Council and to prepare and review from time to time such rules as may be necessary for the proper administration of the Council's financial affairs.

2. RECOMMENDATION

- 2.1 The Committee agrees the Fairer Scotland Fund's contribution to be spread over the three financial years of the 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 totalled £435 million over three years and is part of the local government settlement. An allocation has been made to Moray 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 Management arrangements for the fund were agreed at the Council's Policy and Resources Committee on 13 January 2009 (*para 5 of the minute refers*), and at the Community Planning Board meeting on the 10 June 2009, where it was agreed that all matters related to Social Inclusion and inequalities including the Fairer Scotland Fund would in future report directly through the Community Planning Board.

- 3.4 At the Community Planning Board held on 27 August 2009 (*para 10 of the minute refers*) 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.
- 3.5 The ring fencing of the Fairer Scotland Fund was removed in March 2010. Responsibility for the allocation and management of the Fairer Scotland Fund is the responsibility of the Moray Council. The Council requires to agree that the funding be spread over three years.
- 3.6 The employment for the Moray Assisted Recruitment Scheme 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.
- 3.7 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 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.
- 3.8 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 as the Department of Work and Pensions has provided £97,500. These positions would have to be clearly with organisations or companies that provide community and social benefits.
- 3.9 The Community Planning Partnership Board of 27 May 2010 considered the programme again as the European funding was not secured and it was agreed by the Partnership that the scheme should still go ahead, but with reduced numbers.
- 3.10 Skills Development Service will provide support for each apprentice at £1,500 for SVQ costs.
- 3.11 At the Economic Development and Infrastructure Committee 18 August 2009 approval was given for a maximum of £17,000 to match the bid and

approval given by the Policy and Resources Committee on 25 August 2009 (*Para 10*) to allocate this money across 2010-11 and 2011-12.

- 3.12 Work has been carried out with local employers to encourage their involvement and they are keen to get the process started.

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, particularly national Outcome 7.

(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 of Fairer Scotland Fund was 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.

**FSF Funding
Projects**

	Funding Committed	Balance of funding available
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>	<u>£</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	
Fairer Scotland Fund	257,000	75,583	137,000	44,417	
Skills Development Scotland	22,500	7,500	7,500	7,500	
Future Jobs Fund	97,500	32,500	48,750	16,250	
The Moray Council	17,000	8,500	8,500		
Total Income	394,000	124,083	201,750	68,167	

<u>Cost of Moray Assisted Recruitment Scheme</u>	<u>£</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	
15 Places over 2 years	328,000	100,833	172,500	54,667	
Flexible Intervention Fund	7,500	3,750	3,750		
SVQ Awards	22,500	7,500	7,500	7,500	
Staffing inc travel	36,000	12,000	18,000	6,000	
Total Cost	394,000	124,083	201,750	68,167	

The above distribution across the financial years assumes a 1 August 2010 start date for the apprentice posts to be filled.

(d) Consultations

The Community Planning Board were consulted on the changes to the funding of the Scheme

The Employability Action Group was consulted on the development of the Moray Assisted Recruitment Scheme.

The Chief Financial Officer has been consulted in respect of the financial implications outlined.

5. CONCLUSION

5.1 Policy and Resources Committee agree the £257,000 allocation from the Fairer Scotland Fund to be spread over the three financial years of the scheme as noted in the table at 4 (c) above.

Author of Report: Susan Eddie – Fairer Scotland Manager

Background Papers: Fairer Scotland Fund Submission

Funding proposals – Moray Assisted Recruitment Scheme

Moray Financial Inclusion Strategy

Moray Employability Service Specification